

Intermediate Macroeconomic Theory and Policy I
Economics 2152B-002
Department of Economics
Western University

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Instructor: Sunghoon Cho

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Office Hours: Email office hours*: Tue 4:30 - 6:30 pm

Zoom office hours by appointment

Delivery mode: Online (until January 31st), In-person (after January 31st)*

Classroom meeting time(s) & location: Tue 6:30 – 9:30 pm, SSC 2024*

*Subject to change depending on the public health guidance.

Course website: <https://owl.uwo.ca/portal>

Undergraduate inquiries: 519-661-3507 SSC Room 4075 or econugrd@uwo.ca

Course delivery with respect to the COVID-19 pandemic

Although the intent is for this course to be delivered in-person, the changing COVID-19 landscape may necessitate some or all of the course to be delivered online. When deemed necessary, tests and examinations in this course will be conducted using a remote proctoring service. By taking this course, you are consenting to the use of this software and acknowledge that you will be required to provide personal information (including some biometric data) and the session will be recorded. Completion of this course will require you to have a reliable internet connection and a device that meets the technical requirements for this service. More information about this remote proctoring service, including technical requirements, is available on Western's Remote Proctoring website at:

<https://remoteproctoring.uwo.ca>

Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note:

The prerequisite(s) for this course is (are) **Economics 1021A/B** and **1022A/B**, or **Economics 2001A/B**, and one of **MCV4U**, **Mathematics 0110A/B**, **Calculus 1000A/B**, **Calculus 1500A/B**, **Mathematics 1225A/B** or the former Calculus 1100A/B.

The antirequisite is **Economics 2220A/B**

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objectives:

This is a course in macroeconomic theory in the intermediate level. It uses a modern approach to macroeconomics by building macroeconomic models from microeconomic principles. As such, it is consistent with the way that macroeconomic research is conducted today. The course is primarily concerned with developing basic workable models used for macroeconomic analysis. The determination of the aggregate output, aggregate consumption and investment, economic growth and business cycles will be discussed. Some policy issues – the real-world applications of our basic models – will be also addressed.

Course Learning Outcomes:

Upon successful completion of the course, the student will:

- Be able to identify the various phases of the business cycle and explain how key macroeconomic variables behave in these phases.
- Be able to distinguish between the differences and similarities of the three methods of national income accounting and will be able to calculate GDP using these three methods.
- Be able to define and calculate various labour market and price level measurements, while discussing the limitations of these measurements.
- Be able to develop both graphically and numerically the one-period and two-period models which represent the micro foundations of our macro model.
- Be able to critically compare and explain the causes and effects of changes in these models and apply this knowledge to new examples.
- Be able to define and explain the income and substitution effects on the representative consumer's choices.
- Be able to derive algebraically and graphically the labour supply curve.
- Be able to analyze and explain the determinants and their effects on the labour, goods and money markets.

- Be able to distinguish between the sources of growth and solve graphically and algebraically for equilibrium.
- Be able to explain how monetary policy and fiscal policy affects the economy, while discussing the advantages and disadvantages of various types of policies, and understanding the role of the Bank of Canada and the government in implementing these policies.
- Be able to contrast and explain recent recessions in Canadian history as well as the financial crisis

Topics/Chapters:

Part I

The first three chapters will cover basic motivation and introduction to macroeconomics as well as graphs and measurements used in macroeconomics.

- Chapter 1: Introduction
- Chapter 2: Measurement
- Chapter 3: Business Cycle Measurement

Part II

After covering mathematics and microeconomics review, which will be needed throughout the semester, we will start with a basic one-period model of macroeconomics. Everything we do afterward will be based on this material. This is the most important part of the semester.

- Math/Micro Review
- Chapter 4: Consumer and Firm Behavior: The Work-Leisure Decision and Profit Maximization
- Chapter 5: A Closed Economy One-Period Macroeconomic Model

Part III

In this part, we will expand our simple, static model to a more complicated, dynamic, two-period models.

- Chapter 9: A Two-Period Model: The Consumption-Savings Decision and Credit Market
- Chapter 10: Credit Market Imperfections: Credit Frictions, Financial Crises, and Social Security
- Chapter 11: A Real Intertemporal Model with Investment

Part IV

The last part of the semester is rather independent from the other chapters, but very important nonetheless. We will study how to model economic growth in the long run.

- Chapter 7: Economic Growth: Malthus and Solow

Textbook(s):

Williamson, Stephen D., *Macroeconomics*, 6th Canadian Edition, 2021. Pearson Canada Inc.

Bookstore link: <https://bookstore.uwo.ca/product/cebcodeid30887>

MyLab (MEL): www.pearson.com/mylab (REQUIRED for assessments)

Course Id: cho65588

Access code can be purchased with a new textbook, with an eText access, or separately.

Mylab registration link: <https://mlm.pearson.com/enrollment/cho65588>

You **must register for MyLab using your UWO email**. Students using emails other than their UWO emails will be removed. If an account is removed, all activities and assessments associated with that account will also be removed permanently and will in no way be considered for grading.

Technical Requirements

- Laptop or computer
- Stable internet connection
- Microphone (for virtual office hours and possible online exams)
- Webcam (for virtual office hours and possible online exams)

Grading:

The course grade will be based on two midterm exams, three quizzes, and a final exam. The material for all tests and exams consists of the topic covered in the textbook as well as material covered in the lectures. The distribution of the marks and tentative date for the quizzes and exams are:

Assessment	Weight	Location	Date	Time
Quiz 1	4%	Online on MyLab	Sunday, Jan 30 th	5:30 – 6:00 pm
Midterm 1	24%	In-class	Tuesday, Feb 8 th	7:00 – 9:00 pm
Quiz 2	4%	Online on MyLab	Sunday, Mar 6 th	5:30 – 6:00 pm
Midterm 2	24%	In-class	Tuesday, Mar 15 th	7:00 – 9:00 pm
Quiz 3	4%	Online on MyLab	Sunday, Mar 27 th	5:30 – 6:00 pm
Final Exam	40%	TBA	TBA	TBA

All times are ET. All dates and times are tentative and subject to change.

All of the exams will be in-person, 2 hours long, and in multiple choice format.

All of the quizzes will be online via MyLab and in multiple choice format. You will be given 30 minutes to complete each quiz. Once you begin the quiz, you will have 30 minutes or until the closing time, whichever is shorter. You will only be allowed to submit each quiz once.

Note that in the event that classes move to an online status, the assessment dates, times, and choices may change.

Policies regarding make-up quiz/exam

THERE WILL BE NO MAKE UP FOR THE MIDTERMS AND QUIZZES. For all missed quizzes and midterms, you must fill out the self-reported absence form or take your documentation to Academic Counselling within **48** hours of the exam. You must also notify your instructor **within 24 hours** of the missed assessment that you have missed the quiz or midterm. You must meet both deadlines, otherwise the instructor will assign a grade of zero. For illnesses, you must print off a medical certificate and take it to the doctor, which you bring to Academic Counselling. The medical certificate can be found at https://studentservices.uwo.ca/secure/medical_document.pdf. If the absence for the midterm is excused, then the percentage for that exam will be allocated to the final exam. For missed quizzes, with an approved absence and timely notification to the instructor, (see above) the weight for quiz 1 will be transferred to midterm 1, the weight for quiz 2 will be transferred to midterm 2, and the weight for quiz 3 will be transferred to the final exam. For those who know in advance that they have a conflict with a quiz it is your responsibility to provide the documentation to the instructor.

Students who miss the final exam must take their documentation to Academic Counselling and notify the instructor within **24** hours. There will be a makeup date set by the instructor. The makeup may differ in length and format from the originally scheduled exam and may be essay format.

Students who miss any assessment (whether a quiz, midterm or final exam) **must** follow Western University's procedures for approval of their absence in order to receive an accommodation. Please see the **Please Note Department Policies for 2021-2022** section of this syllabus for details on these procedures. If during the Winter 2022 term Western University announces any changes to these procedures, please follow those procedures.

Professionalism, Privacy and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.
- Students are expected to follow online etiquette expectations provided on OWL (*if applicable; otherwise delete this bullet point*)
- Students will be expected to take an academic integrity pledge before some assessments (*if applicable; otherwise delete this bullet point*)
- Some sessions may be recorded by the instructor. Recorded sessions will remain within the course site or be unlisted if streamed (*if applicable; otherwise delete this bullet point*)

Please Note
Department & University Policies for Winter 2022

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

7. **Systematic adjustments of a class grade distribution** (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.

8. Note the following **add and drop deadlines**:

Deadline to add a second term half course:

Tuesday January 18, 2022

Deadline to drop a second term half course:

Monday March 14, 2022

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
 - for exams scheduled by the Office of the Registrar (e.g., final exams)
 - absence of a duration greater than 48 hours
 - assessments worth more than 30% of the student's final grade
 - if the student has opened or started the test or exam
 - if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students

are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar.](#)

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit https://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.