

Intermediate Macroeconomic Theory and Policy I
Economics 2152B-003
Department of Economics
Western University

January 2023

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Office Hours: M/W 1:30 – 2:30 pm
Delivery mode: In-person
Meeting time(s) and location: Mon 2:30 – 3:30 pm, SEB2202
Wed 2:30 – 4:30 pm, SEB2202

Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@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

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)

Textbook(s):

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

Bookstore link: [Textbook Search | The Book Store at Western \(uwo.ca\)](#)

MyLab (MEL): www.pearson.com/mylab (OPTIONAL)

Course Id: cho59012

MyLab registration link: <https://mlm.pearson.com/enrollment/cho59012>

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

Assessments and Grading:

The course grade will be based on two midterm exams and a final exam. All of the exam questions will be multiple choices. The material for all exams consists of the topics covered in the textbook as well as issues covered in the lectures. The distribution of the marks and tentative date for the exams are:

Assessment	Weight	Location	Length	Date	Time
Midterm 1	30%	TBA	120 minutes	Sun, Feb 5 th	2:00 - 4:00 pm
Midterm 2	30%	TBA	120 minutes	Sun, Mar 12 th	2:00 - 4:00 pm
Final Exam	40%	TBA	120 minutes	TBA	TBA

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

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

Students with conflicts in schedule with the midterms (other exams, religious reasons, varsity sports etc.) will be given make-up exams conditional on approval by the academic counseling office in advance. For all other approved absences, including medical and compassionate reasons, the weight of the missed midterm will be transferred to the final exam weight. Students who have an approved absence from the final exam will be given a make-up for the final exam. The make-up exams may differ in length and format from the original ones. The make-up final exam may include essay format.

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

Email and Communication Policy

Students must use their UWO email address when emailing the instructor so it does not end up in spam and can be verified. **Subject line must include course and section number and should include the topic of the email.** Emails need to be respectful and concise listing your issues, what you have done to solve it, and what you hope the faculty member can help you with.

All course changes and updates will be communicated via the OWL course website, so please check the website frequently.

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 2023

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 17, 2023**
- Deadline to drop a second term half course: **Tuesday, March 7, 2023**

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

- Academic accommodation will not be granted automatically on request. Students must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered. 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. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with tests or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message to the instructor, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

- For medical illnesses, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit/assessment. Student Medical Certificate (SMC) is available here:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf

- **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.
- **Western University policy on Consideration for Student Absence** is available here: https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.html
- **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 http://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.