

INTERMEDIATE MACROECONOMIC THEORY AND POLICY I

ECONOMICS EC2152B-002

Department of Economics
Western University

January 2025

General Information:

Instructor: Shahed Khan
Office: 4050 SSC
Phone: 519-661-2111 ext. 85349
E-mail: mkhan333@uwo.ca
Office hours: Tuesdays: 4:30 – 6:30 pm or by appointment
Delivery mode: In-person
Classroom meeting time(s) & location: T: 6:30 – 9:30 pm, SSC 2032
Course website: <https://westernu.brightspace.com/>
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 prerequisites for this course are **Economics 1021A/B and 1022A/B or 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 the first macroeconomics course in the intermediate level. This course uses macroeconomic theory based on microeconomic principles to study common topics encountered in macroeconomics including business cycles, savings-investment, inflation, unemployment, economic growth and financial crises. Some policy issues will be also addressed.

Course Learning Outcomes:

Upon successful completion of the course, the student will be able to:

- Define the most basic facts in macroeconomics that explain the behavior of aggregate economic activity over time.
- Define and calculate GDP using three methods of national income accounting.
- Define and calculate various labour market and price level measurements.
- Identify the various phases of the business cycles and explain how key macroeconomic variables behave in these phases.
- Develop macroeconomic models with micro-foundations.
 - how individual households make leisure, consumption, and savings decisions to maximize their welfare.
 - how firms make hiring and investment decisions to maximize their profits.
 - how the joint behavior of firms and households determines aggregate outcomes.
- Critically compare and explain the causes and effects of changes in these models and apply this knowledge to new examples.
- Identify and explain the forces or shocks that drive the business cycle.
- Define and explain the income and substitution effects on the representative consumer's choices.
- Explain how financial markets imperfections can affect the economy.
- Explain how fiscal policy can affect the economy.
- Differentiate between the sources of economic growth.

Required Course Materials:

Textbook: Williamson, Stephen D., Macroeconomics, 6th Canadian Edition. **The textbook costs \$66.00.**

MyEconLab (MEL): <https://mlm.pearson.com/northamerica>
Course ID: khan24729

The eText is available for purchase at the Western Bookstore.

https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2024B&courses%5B0%5D=002_UW/ECO2152B

Note: Students may choose to purchase second-hand or earlier editions of the textbook. MyLab is not mandatory. The eText with MyLab would cost \$100. Instructions for accessing MyLab are available on the course website. Registration must be completed using your **UWO email** and **student number**.

Assessments and Grading:

The tentative date, length, and weight of the assessments in the calculation of your course grade are as follows:

Assessment	Tentative Dates*	Weight
Midterm I	Tuesday, February 4 th , 6:45 – 8:15 pm	30%
Midterm II	Tuesday, March 11 th , 6:45 – 8:15 pm	30%
Final Exam	To be scheduled by the Registrar's Office	40%

*The dates/times of the midterms are tentative and subject to change. All times are ET.

During exams, you may have pens, pencils, a ruler, erasers, your student card, and a calculator (non-graphing, non-programmable, and out of its case) at your desk. All other items, like watches and cell phones, must be in your bag at the front of the room.

Policy Regarding Missed Assessments:

Midterm Exams

- There will be no make-up exams for missed midterm exams.
- Students are allowed to miss one midterm exam using self-attestation and notification to the instructor within 24 hours. If a student misses both midterm exams, they must obtain approval from Academic Counselling for the other missed exam and must notify the instructor within 24 hours. If a student misses both midterms without using self-attestation and without approval from Academic Counseling, they will receive a grade of zero for both exams.
- The weight of any approved missed midterm exam or exam using self-attestation will be transferred to the final exam.

Reallocation of Missed Exam Weight to the Final Exam

If the weight of a missed exam is reallocated to the final exam, the student will take the regular final exam with the rest of the class. However, the final exam's weight will be higher for the student with this adjustment.

Final Exam

The final exam is cumulative. Students who miss the final exam must submit their documentation to Academic Counseling and inform the instructor within 24 hours. If Academic Counseling approves the documentation, a makeup date will be scheduled by the instructor.

For any missed assessment, students must follow Western University's procedures to obtain approval for their absence to receive accommodation. Without approval from Academic Counseling for the final exam, a grade of zero will be assigned.

Contacting the Instructor:

My office hours are posted on the course website. Please feel free to join to my office hours to discuss any matters related to the course. If my scheduled office hours conflict with your schedule, you can request an appointment with me via email. Please ensure that your email has subject line starting with "ECON 2152," this will minimize the risk of your email being overlooked or perceived as spam.

Topics Covered and Readings:

The course will closely follow the required textbook (see above). The tentative outline is as follows:

Part I: Introduction and Measurement Issues

1. Introduction (Chapter 1)
2. Measurement Issues (Chapters 2 and 3)

Part II: Basic Macroeconomic Models

3. Consumer and Firm Behaviour: The Work-Leisure Decision and Profit Maximization (Chapter 4)
4. A Closed-Economy One-Period Macroeconomic Model (Chapter 5)

Part III: Savings, Investment, and Government Deficits

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

Part IV: Economic Growth

8. Economic Growth: Malthus and Solow (Chapter 7)

Note: Not all chapters will be fully covered. The instructor will inform you about any omitted topics. A tentative course schedule is available on the course website.

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.

- Recordings (audio or video) are not permitted without explicit, written permission. Permitted recordings may not be distributed or shared.

Tips on How to Be Successful in this Class:

- Begin your week by reading the assigned textbook chapter(s) and reviewing the lecture slides, which provide a summary of the key points in each chapter.
- Make sure to attend both lectures every week. Take notes during class, whether by hand or using a regular word document, as this will enhance your learning compared to just listening or watching.
- Complete the assigned practice problems.
- Establish connections with peers. Consider forming a study group and meet regularly to support each other in your studies.
- Feel free to ask questions. If you're having trouble understanding any concept or if you have questions, don't hesitate to attend my office hours for assistance.

PLEASE NOTE
DEPARTMENT & UNIVERSITY POLICIES FOR WINTER 2025

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. A [*new academic consideration and flexibility in assessment*](#) policy is in effect starting September 2024. Students can miss one assessment per course per term without medical documentation. Faculty can designate one assessment per course for which students **cannot** self-attest.
3. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
4. **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.
5. **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 4.

6. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
7. **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.

8. **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.

9. **ADD AND DROP DEADLINES:**

- Deadline to **ADD** second term full or half course: **January 14, 2025**
- Deadline to **DROP** second term full or half course: **March 31, 2025**

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 test or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **48 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/medical_certificate.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/academic_consideration.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 2024 Diversity Calendar available at <https://www.edi.uwo.ca/> (see bottom right of page).

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 Gender-Based and Sexual Violence: Western is committed to reducing incidents of gender-based and sexual violence (GBSV) and providing compassionate support to anyone who is going through or has gone through these traumatic events. If you are experiencing or have experienced GBSV (either recently or in the past), you will find information about support services for survivors, including emergency contacts at the following website: [Get Help](#). To connect with a case manager or set up an appointment, please contact support@uwo.ca.

Statement on Mental Health and Support Services: Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about 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.