

INTERMEDIATE MACROECONOMICS II
ECONOMICS EC2221
Department of Economics
Western University

January 2025

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Office hours: Tuesday 2:00-4:00pm (In Person, 4056 SSC)
Delivery mode: In-person
Meeting time(s): *Section 1: Monday 12:30-2:30pm // Wednesday 12:30-1:30pm*
Section 2: Monday 3:30-5:30pm // Wednesday 3:30-4:30pm
Classroom: *Section 1: BGSB-0153*
Section 2: UCC 41
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/Antirequisite Note:

The prerequisite(s) for this course is (are) **Economics 2220A/B**
The antirequisite(s) for this course is (are) **Economics 2153A/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 Description:

This course continues with the topics introduced in Intermediate Macroeconomics. We will cover topics on the effectiveness of fiscal policy, unemployment, monetary economics, and international trade.

Course Objectives:

The main objective is to improve the student's ability to interpret, solve and use formal macroeconomic models. To do this we will cover topics in economic policy, the question will always be how a certain policy tool affects the economy. The objective of going through these topics is to show students how formal economic modeling is applied to the study of policy-relevant questions.

Special attention will be given to provide the students opportunities to improve their reading comprehension of academic economic papers. Additionally, the course will emphasize tasks such as defining the equilibrium of a model, deriving the first-order conditions of agents' problems, and graphically solving for the equilibrium. Differential calculus will be used heavily in this course.

Course Learning Outcomes:

After taking this course, a successful student should be able to:

1. Understand academic economic papers.
2. Explain to others the main concepts in a paper.
3. Formalize an economic environment by posing the problems of the relevant agents.
4. Derive intuition from the solution to an economic model.

Textbook and Other Learning Materials

Required textbook: Williamson, S. Macroeconomics, 6th Canadian Edition, Pearson, 2020
Students are welcome to purchase second-hand or earlier editions of this textbook. The textbook costs <https://www.pearson.com/en-ca/subject-catalog/p/macroeconomics-canadian-edition/P200000002651/9780135616253>

Communication:

Communication will be carried out through OWL and in class.

Tips on How to be Successful in this Class:

1. Watch the video lectures before class
2. Go to class and ask about the material.
3. Going to class is essential.

Assessments and Grading:

The course will be divided into 6 modules, each lasting 2 weeks.

Each module covers a unified topic through readings, video lectures, and sample exercises.

At the end of the two weeks, on Wednesday, there will be a 45 minute test on the module that consists on up to three questions. Since the topics of the course build on one-another these questions are not limited to the specific topic of the current module. One of the questions will be drawn from the sample exercises provided to students.

There are therefore 6 tests in the course, with only 5/6 tests counted towards your final grade. Academic consideration will not be granted for missed quizzes. If students miss 1/6 tests, the remaining 5 tests will be used in the calculation of the final grade. If students miss greater than 2 tests, they will receive a grade of zero on each missed quiz. All these 5 test will be equally weighted.

To be clear, because not all elements of this assessment (only 5 out of the 6 tests) are required in the calculation of the final course grade, the instructor reserves the right to deny academic consideration for these missed elements. **Self-Assessment is not allowed for these tests.**

Additionally, there will be one academic article associated to every module. Students must read the article and write a short document of up to one page where they describe 3 things they learned from the reading, 2 things they found interesting and that them would like to learn more about, and one question they have left after the reading.

Students have a flexible 72-hour window to submit these documents between Monday and Wednesday of the designed week. The first reading is due on the second week of classes. Reading assignments will be submitted online through OWL Brightspace starting Monday and until midnight on Wednesday.

Please note that because the submission deadline for the reading assignments already includes flexibility in the form of a 72-hour (3 days) submission window, the instructor reserves the right to deny academic consideration for assignments which are submitted following the end of the period of flexibility (Wednesday at midnight). **Self-Assessment is not allowed for these assignments.**

Makeup Policy:

There will be no makeups for any of the reading assignments or module tests. There are also **No Self-Assessments allowed.** Remember that only the best 5 out of the 6 module tests will be used for the final grade and that reading assignments have a 72-hour (3 day) window to be submitted.

In case a student misses a module test, they must present an official document justifying the absence and the weight of the test will be distributed evenly among the other tests. If you can't provide justification for the absence, a mark of zero will be assigned to the test. Reading assignments received after the deadline will not be accepted and a grade of zero will be attributed. Please see the Policy Regarding Makeup Tests and Final Examinations on the last pages for more details.

Grades:

Readings: 10% (6 equally weighted readings)

Module Tests: 90% (5/6 equally weighted tests)

Modules and Test Dates:

1. Review: 2 period general equilibrium model (based on Chapter 11 of the textbook)
 - a. January 6th to January 15th
 - b. Test on Wednesday January 15th during class
 - c. Reading January 13th-15th: The macroeconomist as scientist and engineer JEP-V20-N4-2006
2. The fiscal multiplier and price rigidities (based on academic papers)
 - a. January 20rd to January 29th
 - b. Test on Wednesday January 29th during class
 - c. Reading January 20th-22nd: Who suffers during recessions? JEP-V26-N3-2012
3. Unemployment and search frictions (based on Chapter 6 of the textbook)
 - a. February 3th to February 12th
 - b. Test on Wednesday February 12th during class
 - c. Reading February 3rd-5th: Evolution of Modern Business Cycle Models

[Reading Week February 15th to 23th]

4. International trade and sovereign default (based on Chapter 15 of the textbook)
 - a. February 24th to March 5th
 - b. Test on March 5th during class
 - c. Reading February 24th-26th: The European sovereign debt crisis JEP-V26-N3-2012
5. Monetary economics: Money neutrality (based on Chapter 12 of the textbook)
 - a. March 10th to March 19th
 - b. Test on March 19th during class
 - c. Reading March 10th-12th: JEP issue on income and wealth inequality V34-N4
6. Money non-neutrality in the Cash-in-Advance model (based on Chapter 12 of the textbook)
 - a. March 24th to April 2nd
 - b. Test on April 2nd during class
 - c. Reading March 24th-26th: The economist as plumber

General Information about missed work:

University policy on academic considerations are described [here](#). This policy requires that all requests for academic considerations must be accompanied by a self-attestation. Further information about academic considerations, and information about submitting this self-attestation with your academic consideration request may be found here. Please note that any academic considerations granted in this course will be determined by the instructor, in consultation with the academic advisors in your Faculty of Registration, in accordance with information presented in this course outline.

Absence from Course Commitments

Students must familiarize themselves with the [Policy on Academic Consideration –Undergraduate Students in First Entry Programs](#).

Students missing course work for medical, compassionate or extenuating circumstances can request academic consideration by completing a request at the central academic consideration portal. Students are permitted one academic consideration request per course per term without supporting documentation. Note that supporting documentation is always required for academic consideration requests for examinations scheduled by the office of the registrar (e.g. December and April exams) and for practical laboratory and performance tests typically schedule during the last week of the term. Students should also note that the instructor may designate one assessment per course per term that requires supporting documentation. This designated assessment is described elsewhere in this document. Please note that any academic considerations granted in this course will be determined by the instructor of this course, in consultation with the academic advisors in your Faculty of Registration, in accordance with information presented in this course outline. Supporting documentation for academic considerations for absences due to illness should use the [Student Medical Certificate](#) or, where that is not possible, equivalent documentation by a health care practitioner.

Accommodation for Religious Holidays

Students should review the policy for [Accommodation for Religious Holidays](#). Where a student will be unable to write examinations and term tests due to a conflicting religious holiday, they should inform their instructors as soon as possible but not later than two weeks prior to writing the examination/term test. In the case of conflict with a midterm test, students should inform their

instructor as soon as possible but not later than one week prior to the midterm.

Professionalism, Privacy, and Copyright:

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright.

Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

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.