

Economics 203(L01) Principles of Macroeconomics

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Office Hours: Tues. / Thurs. 3:30 – 4:30 p.m. (or by appointment)

Lecture Location: SB 103

Lecture Days/Time: Tues/Thurs: 2:00 – 3:15.

(Winter 2020)

Course Description:

This course addresses the measurement of economic variables related to the performance of an economy (e.g., national income, inflation, unemployment, and growth) the determinants of these variables, and how these variables are influenced by institutions and government policy. There is a particular focus on understanding economic fluctuations in the short-run and economic growth in the long-run. The objective is to understand how the macroeconomy works, when it works well, when it does not work well, and the role for governments in influencing how it works.

Course Objectives:

Students who complete Econ 203 successfully will be able to understand introductory macroeconomic theory, solve basic macroeconomic problems, and use these techniques to think about policy questions affecting the economy. This will include being able to understand measurement issues associated with macroeconomic variables; the determinants of national income, unemployment, exchange rates, interest rates, and inflation; the determinants of economic growth and the effects of government policy and institutions on promoting economic growth; the causes of business cycles and the effects of policy responses; the implications of being a small open economy for macroeconomic performance and government policy; and the relationship between financial markets and the real economy.

Course Learning Outcomes:

The curriculum for Econ 203 is organized around six broad topic areas. The key principles and models are introduced in the context of addressing these six broad topic areas. The six topic areas are:

- Introduction and Measurement of Economic Activity: Students are introduced to the key macroeconomic variables of interest, national income, unemployment, inflation, interest rates, growth rates, and exchange rates, as well as how these are measured, and the difficulties associated with their measurement and interpretation.
- Real Economy in the Long Run:
 - The determinants of national income in the long run, emphasizing the determinants of economic growth in a market economy and the role of government policies and institutions on the rate of economic growth. The concept and determinants of productivity and its importance for the standard of living.
 - The functioning of the labour market and the determinants of employment and unemployment.

- Money and Prices in the Long Run. The focus is on money, prices, and interest rates in the long run.
 - Defining the roles of money and the characteristics that make something money. Understanding the banking system, fractional reserve banking, and how central monetary authorities can control the money supply. Design of monetary policy and central bank independence.
 - The causes, costs, and benefits of inflation.
 - The linkage between monetary policy and interest rates.
- Economic Fluctuations and Stabilization: Short Run Macroeconomics. Macroeconomic modelling in the short run: aggregate demand and aggregate supply. Business cycles and the inherent instability of market economies and the potential role for fiscal and monetary policy to stabilize the economy. Linkages between the real and financial sides of the economy, including financial leveraging and asset bubbles and their liquidation. The Philips curve, supply shocks, and expectations. The effects and consequences of government debt and deficits.
- Open economy macro. Foreign exchange rates and markets, balance of payments, and international capital flows. The implications of a small open economy for interest rates, exchange rates, and the level of economic activity, as well as on the effect of government policy.
- Debates in Macroeconomic Policy.

Course Outline:

The following table maps the corresponding chapters from the Hubbard textbook to the six topic areas.

Topic	Hubbard Chapter(s)
Introduction and the Measurement of Economic Activity	1, 4, and 5
The Real Economy in the Long Run	6 and 7
Money and Prices in the Long Run	10 and 11
Open Economy Macro	14 and 15
Economy in the Short Run	8, 9, 12, and 13
Debates in Macroeconomic Policy	Reading

Prerequisites/corequisites:

ECON 201

Required Textbook(s)

Macroeconomics Canadian Edition, R. Glenn Hubbard, Anthony Patrick O'Brien, Apostolos Serletis, and Jason Childs, Pearson, Second Canadian Edition, 2018.

Supplements: **MyEconLab:** Access code purchased with the text provides link to online homework, student resources, and the electronic version of the text.

Reserved Readings: None

MyEconLab:

MyEconLab is a complementary learning tool that allows the student to complete practice and assignment questions that correspond with each chapter of the book. The main benefit of MyEconLab is that the questions are “tailor made” for the course and that feedback is given after each question. Graded assignment questions will be completed using MyEconLab. More information concerning student registration will be provided in the first 2 week of lectures.

Desire2Learn:

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Tutorials:

Students are expected to attend the weekly tutorial section to which they have been assigned. During the tutorials, the TA will discuss pre-assigned questions and additional material relevant to the course that is not covered in lectures. The commencement of the tutorials will be announced the first week of lectures.

Grade Determination and Final Examination Details:

4 assignments (Using MyEconLab) (5% each - due dates will announced throughout the term)	20%
Midterm Examination (Thursday February 27, 2020)	30%
Final Examination (date to be announced later by the Registrar’s Office.)	50%
Total	100%

Note: Due dates for the MyEconLab assignments will be announced at least 7 days prior to the due date.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

If a student’s letter grade on the final exam exceeds their midterm(s) letter grade, the weight of the midterm(s) is (are) transferred to the final exam. The student must have written the midterm(s) or provided supporting documentation for the absence(s) such as a medical note or statutory declaration.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. [See https://www.ucalgary.ca/pubs/calendar/current/e-2.html](https://www.ucalgary.ca/pubs/calendar/current/e-2.html).

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during the instructor’s office hours.

The final exam will be a multiple choice exam completed online in D2L. You will have four hours to complete the exam, at a time of your choosing, within the 24 hour period that begins 24 hours before the end date of the Registrar's scheduled final exam for this course. The exam is designed and intended to be completed in two hours. The exam will be CLOSED book.

If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam www.ucalgary.ca/registrar/exams/deferred_final. Under no circumstance will this be accommodated by the Department.

Tests and exams WILL involve multiple choice questions.

Programmable calculators, (e.g. graphing calculators) cellphones, textbooks, course notes and other electronic devices will not be allowed during the writing of tests or final examinations. Students are reminded that simply being able to access their cellphone during an exam is academic dishonesty.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

Assignments/MyEconLab:

1. In order to complete assignments in this course, you will be required to access MyEconLab. Log in information and the course key will be discussed during the first two weeks of lectures.
2. Due dates for the graded assignments will be announced throughout the term. I will give at least one week's notice before the graded assignment is due.
3. Course material dealing with a particular assignment will typically be covered in class at least three days before the assignment is due; thus, assignments can be completed at any time up to and including the due date. Given these factors, only situations where someone can document illness or domestic affliction for an extended period (i.e., the entire 3 days prior to the due date) would possibly warrant shifting the assignment weight to the final exam. Furthermore, technical problems can be expected to occur with computer systems (and internet availability) so it may be a good idea to not wait until the last minute to submit your assignment. Technical problems will typically not justify shifting the assignment weight to the final exam.
4. Using MyEconLab, you will be given practice and graded problem sets. For the practice sets, you will obtain immediate feedback as to whether you have answered a question correctly. In many cases you will be provided with an explanation if you have not answered correctly. Your results in the practice problem sets are neither counted nor reported to the instructor. For the graded problem sets, you are allowed two (2) attempts for each graded assignment. The highest mark of your attempts will be counted towards your final assignment grade.
5. Emails regarding MyEconLab should be directed towards the providers of MyEconLab, (<http://247pearsoned.custhelp.com>) or to the teaching assistants (TAs), who will be assigned to this course.

Reappraisal of Grades**Reappraisal of Grades and Intellectual Honesty:**

For reappraisal of graded term work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For reappraisal of final grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

Statement of Intellectual Dishonesty, see Calendar K.4

<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

Plagiarism and Other Academic Misconduct, , see Calendar K.5

<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

Academic Accommodation

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>.

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see

<http://www.ucalgary.ca/legalservices/files/legalservices/faq-students.pdf> and

http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty_0.pdf.

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note taking only unless otherwise authorized by the instructor.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright.pdf.

Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

Student Organizations:

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: www.fasaucalgary.ca.

Society of Undergraduates in Economics:

<https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at societyofundergradsineconomics@gmail.com.

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580, or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds' Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

Notes:

1. The midterm examination will be held during the lecture time. **The exam must be completed during the specified time. Extra time will not be given for any reason.**
2. For the midterm exam, we may be using multiple class rooms. If so, I will announce the allocation of these class rooms approximately 2 to 3 weeks prior to the midterm exam.
3. Please note that the following types of emails will receive no response: emails not addressed to anyone in particular; emails where the recipient's name is not spelled correctly; anonymous emails; emails which do not specify the course and section in which you are registered; and, emails involving questions that are specifically addressed on the course outline.
4. I check my emails twice per day, once in the morning and once in the afternoon. (Excluding weekends) Since I teach hundreds of students, please send me an email only if it is absolutely necessary and/or in the case of an emergency.
5. Students are responsible for all assignment material, e.g. supplementary material posted on D2L, regardless of whether or not the material was covered in class.

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2019-11-28