

Economics 303 (L02) (Intermediate Economic Theory: Macroeconomics 1)

Instructor:	Kunio Tsuyuhara	Lecture Location:	ST 131
Phone:	220-6101	Lecture Days/Time:	MWF 9:00-9:50
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Office:	SS 436	Tutorial Day/Time:	T 8:00-8:50
Office Hours:	F 13:00-14:00		Fall 2018

Course Description: This course is the first part of the intermediate macroeconomics theory sequence, followed by Econ 359. Topics covered in this section follow what are covered in the principles level macro course, but this course will introduce the students to little more rigorous analyses for each topic as well as some advanced materials, such as the role of expectations in macroeconomy.

At this level, we **will not use calculus**, but it will be useful for you to be familiar with the Math 30-1 level of pre-calculus knowledge. Most of the necessary mathematical tools and mathematical results are presented in the appendix of the textbook.

This course will emphasise philosophical/critical aspects of macroeconomic analysis (and economics, in general) and discuss how we should interpret and understand the materials presented in the textbook in relation to the real world economic issues and policy debates. This course will be challenging not because it is mathematical but because it asks you to actively engage in thinking about economic issues. I will encourage the students' critical thinking rather than learning the materials as indisputable truth set in stone. Throughout the course, I will challenge you to foster your intellectual maturity and curiosity. For this reason, even though the course is mostly based on the lectures, I would encourage student participation in the form of in-class questions and discussion as well as office hour visits.

Course Objectives/Learning Outcomes: As the above Course Description suggests, this course is the first introduction to macroeconomic *theory*, and intended for the students who successfully completed Econ 203 and want to analyze/study macroeconomic issues at a higher level. Therefore, I assume you have/retain a good understanding of the topics and materials covered in Econ 203.

Modern macroeconomics carefully takes into account the individual decision making (as studied in microeconomics) and the role of expectation for analysing how macroeconomic variables interact and how economic policies influence them. Fully developing such a modern macroeconomic theory requires more advanced mathematical tools, such as (dynamic) optimization theory, and it will be left for your future study in Econ 359, Econ 559, or even at the graduate level.

However, my goal in this course is to offer a glimpse of those advanced macroeconomic analyses at much lower cost on your side without using heavy duty mathematical apparatuses. It is vital to have a bigger picture about what modern macroeconomics is (and macroeconomists are) trying to do before learning more sophisticated models and technical details. In this sense, one of the major objectives of this course is to make a bridge between the principles level macroeconomics at Econ 203 and higher level courses.

In addition, it is also very important to have critical perspective on macroeconomics as an educated citizen, especially when it comes to economic policy discussion. Therefore, another, equally important objective of this course is to provide the students with political implications of macroeconomic theory, both from philosophical and practical viewpoints.

Having those big goals of our study, I'll put forth the following as the course learning outcomes. After successfully completing the course, students should be able to:

1. *explain how key macroeconomic variables, such as GDP, unemployment rate, and inflation rate, are related (macroeconomic modeling), using simple graphs and equations,*
2. *describe what determines the level of aggregate output (GDP), using a simple macro model,*
3. *identify important modeling assumptions and understand their limitations,*
4. *analyze how economic policies affect the relationship among macroeconomic variables, and*
5. *critically analyze, evaluate and discuss the real world economic issues.*

These are very similar to what I have in mind for my Econ 203 students, and in reality, these are what macroeconomics is all about, no matter how much advanced courses you would take. By taking more advanced courses, we can add more layer of sophistication to our model and can dig deeper and ask more fundamental questions. Therefore, I expect the students to build on what they learned at the principle level actively and achieve those learning outcomes at an even higher level.

Course Outline:

1. Introduction: Chapters 1~2
2. The Short Run–The IS-LM Model: Chapters 3~5
3. The Medium Run–The AS-AD Model: Chapters 9~13
4. The Open Economy Macro Model: Chapters 6~8, and 14
5. Other Topics and Applications

The core materials of this course are covered in Chapters 3~14, and we will cover those chapters very carefully. (That said, each chapter is fairly short, so you may feel that we move through the textbook pretty quickly. I highly encourage you to read each chapter in advance to avoid being brown away.) The remainder of the term will be spent for applications of those core materials, and we will cover as many or as few chapters as time permits. (The selection of topics to be covered will be up to your interests. I will survey your interests throughout the course.)

Required Textbook: I follow the contents of the following textbook very closely:

- Blanchard, Olivier and David Johnson. *Macroeconomics: Fifth Canadian Edition*. Pearson (**Required**)

This course will make use of a specially ordered bundle package that comes with MyEconLab for your online assignments. As of now, the special package is available only through the university bookstore.

Prerequisites/corequisites: Pure Mathematics 30 or Mathematics 30-1 or equivalent; Econ 201 and Econ 203 or consent of the Department.

Important Dates:

- September 7 (Fri) First lecture (**Do not miss!**)
- October 8 (Mon) Thanksgiving Day (No lecture)
- October 10 (Wed) **Midterm 1**
- November 12-16 Midterm Break (No lecture)
- November 19 (Mon) **Midterm 2**
- December 7 (Fri) Final lecture

Attendance throughout the semester is not required for passing the course. However, **the first lecture is extremely important** as I will provide essential information about how to survive at least, hopefully succeed, and most importantly enjoy the course.

Lecture Rule: No cell phones, tablets, and laptops are permitted during the lecture. Special circumstances where you need to use a laptop for note taking purpose will be accommodated individually. Please see **Academic Accommodation** section below.

E-mail Policy: To avoid confusion that is often created by e-mail messages, please refrain from sending an e-mail asking about course contents, lecture materials, etc., and please come to my office hours for those kinds of questions (see below). You'll be amazed how easy and satisfying it is this way!

Office Hours: The regular office hour is Friday 13:00-14:00, and I encourage you to use this opportunity. However, if you cannot make this time, feel free to write an e-mail to me to arrange a meeting.

Tutorials: Teaching assistant will hold weekly TA tutorial and office hours (Schedule TBD). TA sessions are indispensable and integral components of your course work, and the TA will go over assignments and related end-of-chapter questions in the textbook. Students are advised to attend the weekly tutorial section to which they have been assigned.

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.

Grade Determination and Final Examination Details: Student performance will be evaluated through a collection of (almost) weekly online assignments (through MyEconLab) for each chapter (worth 20%), one writing assignment (20%), two midterms (20% each), and a final exam (20%).

The writing assignment is a critique of an economics news article. Details will be explained in class.

The course grade is calculated using the weights indicated above and then converted to letter grades according to the official grading system: See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>. To indicate the student progress throughout the semester, a letter grade that corresponds to the above table is provided to each component of your work. Please also note the followings:

- A passing grade on any particular component of the course **is not** required for a student to pass the course as a whole. The final exam is cumulative in the sense that topics covered rely on your knowledge of earlier chapters, but questions themselves are drawn from later chapters after the second midterm.
- 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.
- Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during his office hours.
- The final examination will be **scheduled by the Registrar**, held in a classroom, and last **2 hours**. 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 NOT** involve multiple choice questions. Non-programmable calculators **WILL** be allowed during the writing of tests or final examinations.
- THERE WILL BE NO MAKEUP OR DEFERRED 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.

Reappraisal of Grades and Intellectual Honesty:

- For reappraisal of graded term work, see <http://www.ucalgary.ca/pubs/calendar/current/i-2.html>
- For reappraisal of final grade, see <http://www.ucalgary.ca/pubs/calendar/current/i-3.html>
- Statement of Intellectual Dishonesty, see <http://www.ucalgary.ca/pubs/calendar/current/k-4.html>
- Plagiarism and Other Academic Misconduct, see <http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

Academic Accommodations:

The student accommodation policy can be found at: ucalgary.ca/access/accommodations/policy.

Students needing an accommodation because of a disability or medical condition should communicate this need to Student Accessibility Services in accordance with the Procedure for Accommodations for Students with Disabilities ucalgary.ca/policies/files/policies/student-accommodation-policy.

Students needing an Accommodation based on a Protected Ground other than disability should communicate this need, preferably in writing, to the course instructor.

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.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>.

Evacuation Assembly Point: In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The assembly point for this classroom is Professional Faculties-Food Court.

Safewalk: The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year. **Call 403-220-5333.**

Freedom of Information and Protection of Privacy (FOIP) Act: Personal information is collected in accordance with FOIP. For more information, see <http://www.ucalgary.ca/legalservices/foip/foip-hia>.

Internet and Electronic Communication Device information: The use of cell phones for any purpose in class is prohibited.

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