

The University of Western Ontario
Department of Economics
Intermediate Macroeconomic Theory and Policy I – Distance Studies
Economics 2152A–650

Instructor: Hiroaki Mori

Summer 2014

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Website Address: <http://owltoo.uwo.ca>

Office Hours: An office hour will be set before each assignment and the final exam. Otherwise, students are encouraged to contact instructor by e-mail.

Course Description:

This is a course in macroeconomic theory at the intermediate level. The course is primarily concerned with building a workable model of the economy that will explain the major aggregate variables. Thus, the determination of national income, consumption, investment, economic growth and business cycles and economic policy will be discussed. The course will rely on a model that incorporates the main tenets of modern macroeconomics and emphasizes the current methodology in the field.

Since this is an online course, all other course material, as well as assignments and quizzes, will be provided exclusively through OWL. Assignments and quizzes will only be accepted through OWL.

Course Learning Outcomes:

Students will learn to interpret major macroeconomic variables, such as Gross Domestic Product and the Consumer Price Index, with economic models that may explain how these variables are determined in the economy as the result of interactions between consumers and producers.

Students will be able to discuss the major macroeconomic theories and will be familiar with the economic approaches to analyze macroeconomic data.

Students will be able to identify how macroeconomic policies, including taxes, government spending and money supply, may or may not affect the measured outcomes of the economy.

Textbook:

Stephen D. Williamson, Macroeconomics, 4th Canadian Edition, Pearson Canada 2013.

It is required that students have access to the textbook, and they are highly recommended to have the study guide as well. A copy of the textbook should be available in the reserve section of the Weldon library once the term begins.

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 your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://studentservices.uwo.ca/secure/index.cfm> (Choose “personal timetable”). If you notice a problem, please contact your faculty academic counsellor right away.

Prerequisite Note:

The prerequisites for this course are *Economics 1021A/B and 1022A/B, or Economics 1020, and one of MCV4U, Mathematics 0110A/B, Calculus 1100A/B, or the former OAC MCB4U.*

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an antirequisite course. 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.

Evaluation:

The course grade will be based on three assignments, five quizzes, and a final exam. Both the assignments and quizzes will be submitted via OWL. Each quiz will take approximately 30 minutes and can be written over a two-day period. Each assignment will include at least one calculation question and one question requiring you to work with data. The final exam will be written in person. The assignments and quizzes will be modular, while the final exam will be a comprehensive evaluation, covering material provided on the course website and the relevant topics in the textbook.

The distribution of the marks is as follows:

Assignments 25%

Quizzes 25% (Best 5 out of 6)

Final 50% (TBA ~ Late July)

Assessment	Content	Due Date
Quiz 1	Chapters 1–3	May 26 (MON) 9am
Quiz 2	Chapters 4–5	June 9 (MON) 9am
Quiz 3	Chapter 6	June 16 (MON) 9am
Quiz 4	Chapter 9	June 23 (MON) 9am
Quiz 5	Chapter 10	June 30 (MON) 9am
Quiz 6	Chapter 7	July 14 (MON) 9am
Assignment 1	Chapters 1–5	June 9 (MON) 9am
Assignment 2	Chapter 6	June 23 (MON) 9am
Assignment 3	Chapters 9, 10, and 11	July 7 (MON) 9am
Assignment 4	Chapters 7–8	July 21 (MON) 9am

Late/Missed Assignments or Quizzes:

If a student is unable to write one of the quizzes, it will be counted as their dropped quiz. Any subsequent missed quizzes will be given a grade of zero. Late assignments will be assessed a 10% penalty the first day, and not accepted subsequently. If a student misses more than one quiz or fails to submit an assignment on time, and has a valid reason, it is their responsibility to contact the instructor and explain the reason. Proof supporting this reason may be requested by the instructor.

Tentative Course Schedule:

Content	Textbook Chapter(s)	Week(s)
Introduction	1	1, May 12–16
Measuring Business Cycle	2–3	2, May 20–23
Consumer and Firm	4	3, May 26–30
Competitive Equilibrium	5	4, June 2–6
Unemployment	6	5, June 9–13
Dynamic Model 1	9–10	6–7, June 16–June 27
Dynamic Model 2	11	8, June 30–July 4
Economic Growth	7–8	9–10, July 7–18
Course Review	1–11	11, July 21–July 25
Final Exam	1–11	12, July 28–July 31

Tentative Course Outline:

Introduction and Measurement Issues

This section will cover basic definitions and the calculation of national income/output. As well, the major variables and attributes of the business cycle are examined.

Text chapters 1, 2, 3.

Consumer and Firm Behaviour

In this section the representative consumer and the representative firm is introduced. This topic makes up the starting point of our model.

Text chapter 4.

Competitive Equilibrium: One-Period Model of the Economy

In this section the government sector is added to the consumer's and the firm's decisions and a macroeconomic equilibrium is obtained.

Text chapter 5.

Unemployment

This section examines how key labour market variables, such as the unemployment rate and the labour market participation rate, move over the business cycle, and discusses some of their determinants.

Text chapter 6.

Dynamic Model 1: Two-Period Model of the Economy

This section studies the implications of dynamic decisions making of consumers, which involve economic tradeoffs across two periods of time.

Text chapters 9, 10.

Dynamic Model 2: Real Intertemporal Model with Investment

Here the individual parts of the model are brought together to build and equilibrium model that can serve as a basis for analyzing how macroeconomic shocks affect the economy and that can be used for evaluating the potential role of macroeconomic policies.

Text chapter 11.

Economic Growth

This section deals with the long run growth of the economy, by presenting key empirical regularities relating to economic growth and by presenting economic models that help us understand why economies do or do not grow over time.

Text chapters 7, 8.