

**Course Outline**  
**ECON 102.002: Principles of Microeconomics**  
**Winter II 2023**  
**Vancouver School of Economics, UBC**

Class Times: Monday, Wednesday and Friday 2:00 PM - 2:50 PM  
Class Location: [Wood 2](#)  
  
Instructor: Marina Adshade  
Course Email: [econ102.002@ubc.ca](mailto:econ102.002@ubc.ca)  
Student Contact: [Schedule an Appointment](#)  
Location: IONA 251

TA student hours and contact information will be provided early in the term.

Prerequisites: None.

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**COURSE DESCRIPTION:** Elements of theory and of Canadian policy and institutions concerning the economics of growth and business cycles, national income accounting, interest and exchange rates, money and banking, the balance of trade.

**LEARNING OUTCOMES:** Upon successful completion of ECON 102, students will be able to do the following:

1. Identify the links between microeconomic principles (individuals in the economy) and macroeconomic aggregates (the economy as a whole);
2. Understand how to evaluate macroeconomic conditions such as unemployment rates, inflation rates, interest rates, exchange rates, and economic growth;
3. Make predictions for macroeconomic conditions over the business cycle and in the long run;
4. Analyze the effects of monetary and fiscal policies on the economy and the distinction between the long and short-run in economics;
5. Evaluate the effect of international goods and financial markets on the domestic economy, and the influence of the international financial sector on the effectiveness of monetary and fiscal policies.
6. Critically evaluate solutions to real-world problems within a macroeconomic framework.

**REQUIRED RESOURCES:**

1. The required textbook Principles of Macroeconomics by Milligan, Oreopoulous, Stevenson and Wolfers must be purchased from the UBC Bookstore in a package with Achieve (\$97.70). Your Achieve account (purchased with the book) will need to be set up by the end of the first week of the term. See the document "UBC Achieve/Canvas Integration" in the MacMillan Learning Module on Canvas for more information on purchasing the book and integrating Achieve with Canvas.
2. We will be using iClicker to make our class time more engaging, give you feedback on how well you are comprehending course concepts, and help you prepare for the tests. Most students in this class already have an iClicker account that is synched with our Canvas course page. Some of you will need to create an account by [following the instructions](#) on this page. Once you have completed that task you should be able to add yourself to the course by searching "ECON 102.002 2023".

3. When you have questions about the course logistics or material, those questions should be asked on Piazza. Asking and answering questions on Piazza is a great way to contribute to our class community, and is the quickest way to get a response. The link to the Piazza course page is located in the navigation column on the left-hand side of the course Canvas page. You can also install the Piazza app on your phone or other devices.
4. You have been given a module on Canvas called “Course Information”. After reading these documents, please take the quiz “Course Policies”. You will not be able to access the remainder of the course material until you have a grade of 100% on that quiz.
5. You have been given a module on Canvas titled “Avoiding Academic Misconduct”. Please read the page in that module titled “Avoiding Academic Misconduct” and take the accompanying quiz. You will not be able to access the remaining course material until you have a grade of 100% on that quiz.
6. You have been given a module on Canvas titled “Respectful Engagement”. Please read the “UBC Statement on Respectful Engagement” and take the accompanying quiz. You will not be able to access the remainder of the course material until you have a grade of 100% on that quiz.

**WEEKLY MEETINGS:** This course is in-person learning only. Students should arrive in the lecture on time having completed the required textbook reading(s) for that week; all classes will be taught under the assumption that you have done that reading. Lectures [will be live-streamed](#) for those who are unable to attend, however, the availability of these live streams (and recordings) cannot be guaranteed. Labs will take in the rooms indicated in your course schedule and will not be live-streamed or recorded. Lab attendance is not mandatory, but you can expect to improve your test performance through lab attendance.

**COMMUNICATION:** Every Friday at 9:00 AM you will receive an announcement on Canvas (and emailed to the account that you have registered with Canvas) letting you know what to expect in this course in the coming week, including work that you have due and upcoming tests. If at any time you require an academic concession for missed please make that [request using this form](#) (see below). Questions can be sent to the course email address ([above](#)). Please note that questions sent to anyone on the teaching team via Canvas Messages will not receive a direct response. Questions sent via email that could have been asked on Piazza will result in the sender being redirected to that platform.

**WEEKLY SCHEDULE:** The expected time for each activity is included in the chart below in square brackets. The low end indicates when there is one chapter covered that week and the high end indicates when there are two book chapters covered (schedule below). If you find yourself spending more time on the assessments than indicated in the table, you might try reading the textbook more carefully before you begin the assessment. Please schedule your time accordingly.

Week Day	Assessments	Lecture / Readings
Monday	iClicker Quizzes (all non-test class days)	Lecture [50 minutes]
Wednesday	Bi-weekly Test [20 minutes]	Lecture [30 minutes]
Friday	Adaptive Learning Exercises [20 - 40 minutes]	Lecture [50 minutes]
Sunday	Weekly Homework [30 - 60 minutes]	Textbook readings [40 - 80 minutes]

**KEY DATES:** You will be writing six 30-minute tests over the course of the term during regular class times. The final exam will be scheduled by the university. Do not schedule any travel during periods when tests or the final exam are being held.

Assessment	Dates	Time	Material
Test One	Jan. 24	2:30 PM	Weeks 1 & 2
Test Two	Feb. 7	2:30 PM	Weeks 3 & 4
Test Three	Feb. 28	2:30 PM	Weeks 5 & 6
Test Four	March 13	2:30 PM	Weeks 8 & 9
Test Five	March 27	2:30 PM	Weeks 10 & 11
Test Six	April 10	2:30 PM	Weeks 12 & 13
Final Exam	TBD	TBD	Weeks 1 - 13 + textbook chapters

**ASSESSMENT METHODS:** Your progress in this class will be measured in the following ways.

Achieve Adaptive Learning Exercises	5%
Achieve Homework	7%
iClicker Quizzes	7%
Tests (6)	36%
Final Exam	45%

*Achieve Adaptive Learning Exercises (5%):* All classes will be taught under the assumption that you have completed the textbook readings for that week. These Achieve Adaptive Learning Exercises (“Learning Curve”) will test your understanding of that material. They are linked in each week’s Canvas module and will be linked in the weekly announcements. They are due on Friday at noon PT. If you read the assigned chapter readings carefully you should be able to do each in less than 20 minutes. Note that there are two weeks of the term in which you will have two of these to complete.<sup>1</sup>

*Achieve Homework (7%):* Achieve homework sets (“End of Chapter Problems”) are due at midnight on Sundays. Again, how long it will take to do the homework will depend on your level of preparation. If you have done all the previous work, including the assigned readings and Learning Curve, you should be able to complete the homework in 30 minutes. Note that there are two weeks of the term in which you will have two of these to complete.

*iClicker Quizzes (7%):* During the lectures, you will be working collectively in small groups of 3 - 4 to find solutions to a problem(s) that are similar to those that you will find on your bi-weekly tests. Following that work you will write a short individual iClicker quiz that tests your understanding of that material. Please note that while it is possible to do the iClicker quizzes without being present in the lecture hall, you will miss the opportunity to work in the small group and to hear the classroom discussion.

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<sup>1</sup> If this seems like a lot of deadlines to keep track of, remember that there is nothing stopping you from doing all of this work at the beginning of the week. For example, you could set aside some time on the weekend to do all of the work for that week – including the homework that is due the following Sunday. You want to schedule three hours to do this work.

**Tests (Six worth 6% each):** Six 20-minute tests will be held at the end of class on the days indicated above under “Key Dates” and on the schedule at the end of this document. Those tests will focus on the material covered in the lectures and covered in the iClicker quizzes. You will be given practice materials for these tests during the weekly labs, and your TA will cover the solutions in the labs.

**Final Exam (One exam worth 45%):** The final exam will be held at a date and time determined by the university during the term. **Do not book any travel until the exam date has been released.** The final exam will cover all of the material from the course (including all of the textbook readings). The format of the exam will be both short answer and multiple choice problems.

**POLICY FOR MISSED/LATE WORK:** Please see the policies below for each type of assessment. If necessary please submit a request for a concession [using this form](#). Any student who has more than one request for a concession must speak to their academic advising office and provide evidence for the need for an academic concession.

**Tests:** Absences from tests for legitimate reasons must be reported to your instructor [using this form](#) before the beginning of the test. Only in exceptional circumstances will this condition to report your absence in advance of the test be waived. Missed tests will have their grades redistributed to the remaining tests only when they are missed for reasons that are recognized by the university. Any student who misses more than two tests will have all test grades redistributed to the final exam grade. Absences for any other reason, or when the form is not submitted before the test has begun, will result in a grade of zero on that test. Note that having made travel arrangements when a test is scheduled is not considered a reason for being given accommodation for a missed test.

**Achieve Assessments:** For every day the work is submitted late, Achieve assignments will have a 15% penalty. If you missed this work for a reason that would warrant an academic concession please make that [using this form](#) *after you have completed the work*. Your grade will be adjusted in relation to how much additional time was needed given the circumstances that led to your need for a concession. For example, a student who is sick on the day the assessment is due would be expected to have that work submitted within 3 days of the deadline. Late penalties will apply for all additional days.

**iClicker quizzes:** At the end of the term the final grade will be calculated as your grade divided by the total possible points minus the two times weekly average number of points. For example, if there are 130 possible points over 13 weeks of the term then the average weekly number of points times two is 10. If, at the end of the term, you have a grade of 80, your final iClicker mark would be:

$$(80 / (130 - 20)) \times 100 = 73\%$$

This approach will allow each student to miss the equivalent of two weeks’ worth of questions without penalty. If you miss more than two weeks of the term for reasons that are recognized as an academic concession by the university please speak to your advising office and request a concession for all weeks that have been missed.

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**MENTAL HEALTH CONCERNS:** As a student, you may experience a range of challenges that can interfere with learning, such as strained relationships, increased anxiety, substance use, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may diminish your academic performance and/or reduce your ability to participate in daily activities. I encourage you to take advantage of the many resources available at UBC to help you cope with challenges, including [Counselling Services](#), [Office of the Ombudsperson](#), and [Access and Diversity](#).

**VANCOUVER SCHOOL OF ECONOMICS (VSE) GRADING POLICY:** In accordance with the VSE grading policy for 100-level courses, the average grade for this course will be between 67% and 71%. Grades may be curved upwards or downwards at the end of the term in order to ensure compliance with this policy.

**STATEMENT ON ACADEMIC HONESTY:** It is the policy of the Vancouver School of Economics to report all violations of UBC's standards for academic integrity to the office of the Dean of Arts. All violations of academic integrity standards will result in a grade of zero on the relevant assessment (exam, paper, assignment etc.). Students who do not have a previous offence may have the option to enter into a [diversionary process](#) with the Dean of Arts to resolve their misconduct. Any student who has a previous academic offence will be referred to the [President's Advisory Committee on Student Discipline](#) (PACSD). PACSD may impose additional penalties including: a transcript notation indicating that the student has committed an academic offence, zero in the course, and/or suspension or expulsion from the University. You are personally responsible for understanding and following the [UBC's policies for academic integrity](#). A Canvas module has been made available to you for this purpose titled "Avoiding Academic Misconduct". It is your responsibility to read the materials in that module before submitting any work in this course. Speak to your instructor if you have any questions regarding the standard for academic integrity at UBC and/or the VSE policies on academic misconduct.

**CLASS POLICIES:** The following policies apply to all students in this class.

*Grade Review Policy:* Grade review requests must be made through Gradescope within one calendar week of when you were notified that your grade was available. This is the only approach to asking for your grade to be reviewed. The TAs do not have the power to change your grades and you are asked not to raise these problems with them.

*Policy on recording lectures and student contact hours:* You do not have permission to record lectures, office hours, group meetings, or personal conversations that take place either on or offline.

*Policy on Sharing Course Materials:* You will note that all the materials provided to you in this course, including this document, include the statement "© Marina Adshade All Rights Reserved". Sharing course materials in any way, either by email or by uploading them to websites, will be treated as an infringement on your instructor's intellectual property and dealt with accordingly.

**UNIVERSITY POLICIES:** UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is the suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and religious and cultural observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available (<https://senate.ubc.ca/policies-resources-support-student-success>).

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**TERM SCHEDULE:** Please note that we will not be covering much of the review of microeconomics in this course (textbook Chapters 1 - 8). This material will be taught as needed throughout the course with references to the textbook readings. Please read those required sections of the textbook as needed to improve your understanding. Here PM refers to Principles of Macroeconomics.

#### Week 1: Introduction to Macroeconomics

- What is macroeconomics?
- Microeconomic fundamentals applied to macroeconomics
- Measuring Gross Domestic Product
- Differentiating nominal from real values

Pre-readings: PM Chapter 9

#### Week 2: Economic Growth

- Determinants of economic growth
- Institutions and technology
- Solow model of economic growth

Pre-readings: PM Chapter 10

#### Week 3: Macroeconomic Indicators

- Unemployment rates
- Inflation rates
- Consumer Price Index
- Functions of money

Pre-readings: PM Chapters 11 & 12

### **TEST ONE (Week 1 – 2 materials)**

#### Week. 4: Production, Consumption and Savings

- Consumption, savings and income
- Aggregate expenditure and income

Pre-readings: PM Chapter 13 & Appendix A1

#### Week 5: Investment

- What is Investment
- Market for loanable funds
- Understanding Stocks and Bonds

Pre-readings: PM Chapters 14

Suggested Reading: Chapter 15

### **TEST TWO (Week 3 – 4 materials)**

#### Week 6: The Open Economy

- Balance of Payments
- Determinants of exchange rates
- International macroeconomic policy

Pre-readings: PM Chapter 16

Suggested Reading: PM Chapter 7

## **Week 7: READING WEEK [No classes or labs]**

### **Week 8: Business Cycles**

- What are business cycles?
- Indicators of a recession
- Short-run versus long-run

Pre-readings: PM Chapter 17

## **TEST THREE (Week 5 - 6 materials)**

### **Week 9: The IS-MP framework**

- IS Curve: Output and Real Interest Rates
- MP Curve: Central Banking and the Interest Rate
- IS-MP Framework
- Macroeconomic Shocks

Pre-readings: PM Chapter 18

### **Week 10: Phillips Curve and the Monetary System**

- Inflation expectations and inflation
- Output gaps and inflation
- Supply shocks and the Phillips Curve

Pre-readings: PM Chapter 19

## **TEST FOUR (Week 8 & 9 materials)**

### **Week 11: Macroeconomic Equilibrium [No Class Friday]**

- Linking the IS, MP and Phillips Curves
- Predicting macroeconomic outcomes
- Understand economic shocks: Spending, Supply, and Financial.

Pre-readings: PM Chapter 20

### **Week 12: Macroeconomic Equilibrium and the Keynesian Cross [No Class Monday]**

- Aggregate Expenditure in the Macroeconomic Equilibrium
- Multiplier Effect
- Business Cycles in the Macroeconomic Equilibrium

Pre-readings: PM Chapter A2

## **TEST FIVE (Week 10 – 11 materials)**

### **Week 13: Macroeconomic Policy: Monetary**

- Demand for money
- Money and interest rates
- Expansionary and Contractionary Policy

Pre-readings: PM Chapter 22

Week 14: Macroeconomic Policy: Fiscal

- Taxes and Government Transfers
- Expansionary and Contractionary Policy
- Budget Balance

Pre-readings: PM Chapter 23

**TEST SIX (Week 12 – 14 materials)**

**FINAL EXAM DATE TO BE DETERMINED (Week 1 - 14 lectures materials + comprehensive multiple choice)**