

INTERMEDIATE MACROECONOMIC THEORY AND POLICY I  
ECONOMICS EC2152A-001  
Department of Economics  
Western University

September 2023

**General Information:**

**Instructor:** Shahed Khan  
**Office:** 4050 SSC  
**Phone:** 519-661-2111 ext. 85349  
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**Office hours:** Mondays, 3:00 pm – 4:00 pm (zoom)  
Wednesdays, 5:45 pm – 6:45 pm in SSC 4050  
**Delivery mode:** In-person  
**Classroom meeting time(s) & location:** SSC 2032, Tuesdays: 6:30 – 9:30 pm  
**Course website:** <https://owl.uwo.ca/portal>  
**Undergraduate inquiries:** 519-661-3507 or SSC Room 4075 or [econugrd@uwo.ca](mailto: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 Note:**

The prerequisites for this course are **Economics 1021A/B and 1022A/B or 2001A/B** and one of **MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Calculus 1500A/B, Mathematics 1225A/B** or the former **Calculus 1100A/B**.

The Antirequisite is **Economics 2220A/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 Objectives:

This is the first macroeconomics course in the intermediate level. This course uses macroeconomic theory based on microeconomic principles to study common topics encountered in macroeconomics including business cycles, savings-investment, inflation, unemployment, economic growth and financial crises. Some policy issues will be also addressed.

## Course Learning Outcomes:

Upon successful completion of the course, the student will be able to:

- Define the most basic facts in macroeconomics that explain the behavior of aggregate economic activity over time.
- Define and calculate GDP using three methods of national income accounting.
- Define and calculate various labour market and price level measurements.
- Identify the various phases of the business cycles and explain how key macroeconomic variables behave in these phases.
- Develop macroeconomic models with micro-foundations.
  - how individual households make leisure, consumption, and savings decisions to maximize their welfare.
  - how firms make hiring and investment decisions to maximize their profits.
  - how the joint behavior of firms and households determines aggregate outcomes.
- Critically compare and explain the causes and effects of changes in these models and apply this knowledge to new examples.
- Identify and explain the forces or shocks that drive the business cycle.
- Define and explain the income and substitution effects on the representative consumer's choices.
- Explain how financial markets imperfections can affect the economy.
- Explain how fiscal policy can affect the economy.
- Differentiate between the sources of economic growth.

## Course Materials:

Textbook: Williamson, Stephen D., Macroeconomics, 6th Canadian Edition.

The ebook version can be purchased through the bookstore's website:

[https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2023A&courses%5B0%5D=001\\_UW/ECO2152A](https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2023A&courses%5B0%5D=001_UW/ECO2152A)

MyEconLab (MEL): <https://mlm.pearson.com/northamerica/myeconlab/>

Course ID: khan16559

MyLab access is optional, but highly recommended. You must register for MEL using your **UWO email and student number**. Users using emails other than their UWO emails and/or without their UWO student number will be removed. If an account is removed, all activities and assessments associated with that account will also be removed, and permanently, and will in no way be considered for grading.

## Technical Requirements:

- Laptop or computer
- Stable internet connection
- Microphone
- Webcam

For technical support, see the OWL Help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for OWL; update your browser frequently.

## Assessments and Grading:

The tentative date, length, and weight of the assessments in the calculation of your course grade are as follows:

Assessment	Tentative Dates	Tentative Coverage	Weight
Midterm I	Tuesday, October 3, 2023, 6:45 – 8:15 pm	Ch. 1 - 4	25%
Midterm II	Tuesday, November 14, 2022, 6:45 – 8:15 pm	Ch. 4, 5, 9, 10	25%
Final Exam	To be scheduled by the Registrar's Office	Ch. 1-5, 9 -11, 7	50%

\* The dates/times of the midterms are tentative and subject to change and subject to approval by the Registrar. All times are ET.

The midterms and final exam will be in mixed format (a combination of multiple choice, true/false, and/or short answer questions).

Only non-programmable, non-graphing calculators are allowed on exams.

## Policy Regarding Missed Assessments:

**There will be no make-ups for missed midterms.** Students with an approved absence from **midterms** will have the weight of the missed assessments transferred to the final exam. You must submit your valid documentation to Academic Counselling within 2 business days of the exam date. You must also notify your instructor prior to the test or at least within 24 hours after the excused period.

Students who miss the final exam, with approved documentation will write a makeup final exam that may differ in format from the original scheduled final exam and may be delivered on a different platform.

Students who miss any assessment (whether a quiz, midterm or final exam) **must** follow Western University's procedures for approval of their absence in order to receive an accommodation. Please see the **Please Note Department Policies for Fall 2023** section of this

syllabus for details on these procedures. If during the Fall 2023 term Western University announces any changes to these procedures, please follow those procedures.

### **Contingency Plan:**

In the event of an emergency during the course that necessitates the course delivery moving away from face-to-face interaction, all remaining in-person lectures will be delivered entirely online, either synchronously (i.e., at the times indicated in the timetable) or asynchronously (e.g., posted on OWL for students to view at their convenience). The grading scheme will not change. Any remaining assessments will also be conducted online as determined by the course instructor.

### **Contacting the Instructor:**

My office hours are posted on the course website. If my scheduled office hours conflict with your schedule, you can request an appointment with me via email. Please ensure that your email has a subject line starting with “EC 2152,” this will minimize the risk of your email being overlooked or perceived as spam.

### **Topics Covered and Readings:**

The course will closely follow the required textbook (see above). The tentative outline is as follows:

#### **Part I: Introduction and Measurement Issues**

1. Introduction (Chapter 1)
2. Measurement Issues (Chapters 2 and 3)

#### **Part II: Basic Macroeconomic Models**

3. Consumer and Firm Behaviour: The Work-Leisure Decision and Profit Maximization (Chapter 4)
4. A Closed-Economy One-Period Macroeconomic Model (Chapter 5)

#### **Part III: Savings, Investment, and Government Deficits**

5. A Two-Period Model: The Consumption-Savings Decision and Credit Markets (Chapter 9)
6. Credit Market Imperfections: Credit Frictions, Financial Crises, and Social Security (Chapter 10)
7. A Real Intertemporal Model with Investment (Chapter 11)

#### **Part IV: Economic Growth**

8. Economic Growth: Malthus and Solow (Chapter 7)

Note: Not all chapters will be covered entirely, and some topics that are not in the textbook will be added to the lectures.

### **Professionalism, Privacy and Copyright:**

- Students are expected to follow the Student Code of Conduct.
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.
- Students will be expected to take an academic integrity pledge before some assessments.
- Some sessions may be recorded by the instructor. Recorded sessions will remain within the course site or be unlisted if streamed.

### **Tips on How to Be Successful in this Class:**

Students in this class should understand the level of autonomy and self-discipline required to be successful.

- Make it a daily habit to log onto OWL to ensure you have seen everything posted to help you succeed in this class.
- Start each week by reading the assigned textbook chapter(s) and lecture slides. Attend all the lectures and actively participate in class. Feel free to ask as many questions as you want in the class.
- Take notes as you go through the lesson material. Keeping handwritten notes or notes in a regular Word document will help you learn more effectively than just reading or watching.
- Work out practice questions assigned from each chapter of the textbook.
- Connect with others. Try forming an online study group and meet on a weekly basis for study and peer support.
- Do not be afraid to ask questions. If you have questions or are struggling to understand any concept, contact me and/or teaching assistant.

**Please Note**  
**Department & University Policies for Fall 2023**

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. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” [http://www.uwo.ca/univsec/pdf/academic\\_policies/exam/administration.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf).
3. **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.
4. **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](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 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped, or accepted by staff. Students must submit assignments to the instructor.
6. **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](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](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](mailto:econugrd@uwo.ca). Please follow the instructions and use the appeal form shown in the above link.

7. **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.
8. Note the following **add and drop deadlines**:
- Deadline to ADD OR DROP a first term full or half course: **Fri, Sept 15, 2023**
  - Deadline to WITHDRAW from a first term full or half course: **Mon, Nov 13, 2023**

### **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](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](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 tests or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 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](mailto: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/medicalform.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.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/probation\\_rtw/appeals.html](https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.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 [Western Multicultural Calendar](#).

#### **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 Mental Health and Support Services:**

Students under emotional/mental distress should visit [http://uwo.ca/health/mental\\_wellbeing/](http://uwo.ca/health/mental_wellbeing/) for more information and a complete list of resources on 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.