

INTERMEDIATE MACROECONOMIC THEORY AND POLICY
ECONOMICS EC2152A-650
Department of Economics
Western University

September 2021

General Information:

Instructor: Shahed Khan
Office: 4050 SSC
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E-mail: mkhan333@uwo.ca
Office hours: Tuesdays 6:00 pm – 7:00 pm (in-person)
Wednesdays 6:00 pm – 7:00 pm (virtually via Zoom)
Delivery mode: Online asynchronous lectures
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or 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.

Required Course Materials:

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

The ebook version can be purchased through the Bookstores website:

<https://bookstore.uwo.ca/product/cebcodeid30887>

MyEconLab (MEL): www.pearsonmlabandmastering.com (**REQUIRED for assessments**)

Course ID: khan02044

Access code can be purchased with a new textbook, with an eText access, or separately.

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:

All regularly scheduled assessments in this course will be held online via MEL. Instructions on how to access MEL are found on the course website under Resources. The tentative date, length and weight of the assessments in the calculation of your course grade are as follows:

Assessment	Tentative Dates	Weight
Quizzes	3 quizzes: Sunday, October 3 rd , October 31 st , November 28 th , 5:30 – 6:00 pm.	12%
Midterm I	Tuesday, October 12, 2021, 7:10 – 8:40 pm	20%
Midterm II	Tuesday, November 16, 2021, 7:10 – 8:40 pm	23%
Final	To be scheduled by the Registrar's Office	45%

*The dates/times of the quizzes are tentative and subject to change. All times are ET.

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

Policy Regarding Missed Assessments:

There will be no make-ups for missed quizzes or midterms. For all missed quizzes and midterms, you must fill out the self-reported absence form or take your documentation to Academic Counselling within **48 hours** of the exam. You must also notify your instructor within **24 hours** of the missed assessment that you have missed the quiz or midterm. Students with an approved absence from quizzes or midterms will have the weight of the missed assessment transferred to the final exam.

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 2021-2022** section of this syllabus for details on these procedures. If during the Fall 2021 term Western University announces any changes to these procedures, please follow those procedures.

Contacting the Instructor:

My office hours are listed on page 1. Please feel free to join to my in-person or Zoom office hours if you have any questions. If my scheduled office hours conflict with your schedule, you can request an appointment with me via email. Please insure that your email has 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.

- Recordings (audio or video) are not permitted without explicit, written permission. Permitted recordings may not be distributed or shared.

Tips on How to Be Successful in this Class:

- Start each week by reading the assigned textbook chapter(s). Then read the lecture notes which summarize the main points of each chapter.
- Treat this course as you would do a face-to-face course. 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 on MEL and assigned problems at the end of each chapter in 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 2021

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.
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).

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. **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. 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. 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 a first term half course:
Deadline to drop a first term half course:

Thursday September 16, 2021
Friday November 12, 2021

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

- The Faculty of Social Science's policies on academic accommodation are found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.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), 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. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
 - for exams scheduled by the Office of the Registrar (e.g., final exams)
 - absence of a duration greater than 48 hours
 - assessments worth more than 30% of the student's final grade
 - if the student has opened or started the test or exam
 - if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **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. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.
- **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/ 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.