

**INTERMEDIATE MACROECONOMIC THEORY AND POLICY I
ECONOMICS 2152A-003
Department of Economics
Western University**

September 2023

Instructor: Simona Cociuba
Office: 4041 SSC
Phone: (519) 661-2111 ext. 85310
E-mail: scociuba@uwo.ca
Office Hours: Mondays 11-12pm (in person), and Wednesdays 11-12pm (on Zoom)
For the Zoom office hours, students must sign up for 10-min time slots during the allocated office hours, using the sign-up tool in OWL.
Classroom meeting time & location: M 1:30-2:30pm, W 12:30-2:30pm in HSB-236
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 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:

Prerequisite(s): Economics 1021A/B and Economics 1022A/B, or Economics 2001A/B, and one of MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Calculus 1500A/B, Mathematics 1225A/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:

The goal of the course is to develop formal tools to perform quantitative macroeconomic analyses. We will discuss how important macroeconomic variables such as the total output produced in an economy, prices, and employment are measured in the data. We will establish key macroeconomic facts and use basic macroeconomic theory to analyze the facts observed in the data. We will study both short-run economic questions (What are the sources of business cycle fluctuations?) and long-run issues (Why do economies grow? Why are there large income differences among countries?). This course will use math when analyzing data and models.

Course Learning Outcomes:

Upon successful completion of the course:

- The students will acquire knowledge regarding national income accounting methods, they will understand the benefits and drawbacks of the current measures of gross domestic product (GDP) and be aware of some alternative measures of a nation's well-being.
- The students will understand business cycles measurements, learn to interpret different business cycles facts for the Canadian economy, as well as be able to contrast recent recessions in Canada with past recessions or with recessions in other economies.
- The students will learn what is an economic model and why models are useful in formulating and answering economic questions.
- The students will be able analyze equilibrium outcomes in simple models of the macroeconomy and understand how the predictions for aggregate macroeconomic variables are affected by micro behavior of individual agents and by other restrictions imposed on the equilibrium (such as financial frictions).
- The students will be able to assess the predictions of macroeconomic theories and compare them to Canadian data.
- The students will be able to answer simple macroeconomic policy questions with the use of the model(s) introduced and developed throughout the course.
- The students will understand the main drivers of economic growth and engage in discussions about determinants of growth across different countries.
- The students will learn to apply their math skills for answering economic questions and understand why math skills are crucial to being a good economist.

Textbook(s):

The required e-text for this course is: **Williamson, Stephen D. Macroeconomics, 6th Canadian edition, Pearson.** The e-text is available at the bookstore:

<https://bookstore.uwo.ca/product/cebebookid9720153>

There are no other required course materials.

Grading:

Your course grade will be based on two midterm exams and one final exam.

You are responsible to notify me **no later than Thursday, September 21st** of any academic conflicts you have with the assessments planned in this class (see below). If I do not hear of any conflicts by September 21st, I will assume everyone is available to take the assessments in this course at the specified days and times below.

Midterm Exam 1: 1.5 hours exam, held on **Wednesday, October 11** during regular class time, in the regular classroom. Tentative material: Chapters 1, 2, 3, and 4.

Midterm Exam 2: 1.5 hours exam, held on **Wednesday, October 15** during regular class time, in the regular classroom. Tentative material: Chapters 4, 5, 9 and 10.

Final Exam: 2 hour exam, date and time to be set by the Registrar's Office. Material to prepare for final exam: Chapters 1, 2, 3, 4, 5, 9, 10, 11, and 7. If you shift the weight from a midterm to the final (as outlined below), your final exam will be 2.5 hours long.

The weighting of exams in obtaining the course grade is below:

Mid-term 1	34%
Mid-term 2	34%
Final exam	32%

You will be notified which chapters to focus on before each exam. There will be no make-up midterm exams. If a student misses a midterm due to sickness or other acceptable excuse the student must present official documentation justifying the absence to the Academic Counselling office. Please do not email the professor with details regarding why you missed an exam. For more details, please see Western University's policies on pages 6 and 7 of this course outline.

If the *academic counsellor does not approve your absence* from an exam, or if there is *no justification for your absence*, a grade of zero is assigned to that midterm exam. If the *academic counsellor approves your absence* from an exam, the weight of that midterm exam will be added to the final exam. In this case, the final examination will be longer than for the rest of the class to allow for thorough testing of the material of the missed midterm.

The following **reweighting rule** applies to all **students who have taken all three exams**. If the final exam grade is higher than the lowest midterm grade, the weight of the lowest midterm is changed to 21%, while the final exam weight is changed to 45% (The other midterm weight remains the same). If you know you have not done very well on one of the midterm exams, the reweighting rule provides a way to improve your overall grade, as long as you perform better on the final. This reweighting rule does not apply to students who miss an exam.

You are responsible for all content covered in the lectures and in the assigned chapters of the textbook. Some chapter content may not be covered in lectures and some lecture content may not be in the textbook.

Electronic Devices: The only electronic device you may use during exams is a non-graphing, non-programmable calculator. Graphing/programmable calculators, cell phones, watches etc. must be turned off and kept in your bag. If you have any of these devices out during an exam it will be taken from you and will only be returned once you have turned in the exam.

Topics Covered and Readings:

Below is a tentative outline with references to book chapters in parentheses. The outline may be adjusted based on time constraints. Some material covered in class will not appear in the text, but may still appear on exams.

1. Introduction
 - a. Introduction to macroeconomic analysis [Ch. 1]
 - b. Measurement of macroeconomic variables [Ch. 2]
 - c. Key business cycle facts [Ch. 3]
2. A static general equilibrium model of the economy
 - a. Consumers: preferences, budget constraints and optimal consumption and leisure decisions [Ch. 4]
 - b. Firms: Technology and profit maximization [Ch. 4]
 - c. Government: Spending and Taxes [Ch. 5]
 - d. Competitive Equilibrium [Ch. 5]
3. Dynamic general equilibrium models of the economy
 - a. A two-period model: Consumption-savings decision [Ch. 9]
 - b. Government spending, taxation and Ricardian Equivalence [Ch. 9]
 - c. Credit market imperfections and social security programs [Ch. 10]
 - d. A model with investment [Ch. 11]
4. Economic Growth
 - a. Economic growth facts [Ch. 7]
 - b. The Malthusian model of growth [Ch. 7]
 - c. The Solow model of growth [Ch. 7]

Copyright:

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

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.
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 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
- **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. 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. **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

- **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
- **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 unit 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.