

INTERMEDIATE MACROECONOMICS II
ECONOMICS EC2221B-001
Department of Economics
Western University

January 2019

General Information:

Instructor: Bohan Li
Office: 4405 Amit Chakma Engineering Building
E-mail: bli296@uwo.ca
Office hours: Monday 2:40 – 3:40, Wednesday 1:40 – 2:40
Classroom meeting time(s) & location: Monday 12:30 – 2:30 p.m., UCC 37
Wednesday 12:30 – 1:30 p.m. UCC 37
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 prerequisite for this course is **Economics 2220A/B**.
The anti-requisite for this course is **Economics 2153A/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 course introduces students to formal macroeconomic models which are used to explain business cycle and international trade facts. Areas of emphasis include defining the equilibrium, deriving the first-order conditions, and graphically solving for the equilibrium. Differential calculus will be used heavily in this course. This course is primarily a theory course, but we will also discuss data facts which will be used to motivate and evaluate the models covered in class.

Please note that class attendance is mandatory since there are in-class quizzes and complete class notes may not be provided. You are responsible for all material covered in the lectures. If you miss a class, please get the class notes from a fellow student.

Course Learning Outcomes:

After taking this course, a successful student should be able to:

- 1) identify the determinants of macroeconomic aggregates such as output, unemployment, inflation, productivity and how these aggregates comove over the business cycle.
- 2) describe the main macroeconomic theories of short term fluctuations and long-term growth in the economy.
- 3) apply the main macroeconomic theories in analysis of the determinants of business cycles and the implications for government intervention.
- 4) evaluate the consequences of basic macroeconomic policy options under differing economic conditions within a business cycle.

Textbook(s):

The recommended textbook is Williamson, Stephen, *Macroeconomics, 5th Canadian Edition*, Pearson Addison Wesley.

Grading:

Student evaluation will be based on the results obtained in homework assignments, unannounced quizzes in class, two midterm tests, and a final exam. The weight given to each assignment is the following:

End-of-class quizzes	25%
Homework assignments (best 3 out of 4)	15%
Midterm Exam	30%
Post-Midterm Review In-Class Assignment	5%
Final Exam	35%

End-of-class quizzes: Short open-note quizzes will be given at the end of each class and will cover material taught in that class. As such, class attendance is mandatory.

Homework assignments: Homework assignments are expected to take roughly 1-3 hours. You may (and are encouraged to) work on homework assignments in groups, but you must turn in your own copy of the assignment and list your collaborators. These assignments are intended to help prepare you for the exams, so I highly recommend understanding how the problems are solved rather than blindly copying the answers from someone else. Homework assignments must be submitted in class or during office hours. If this is not possible, please contact me for potential alternative ways to submit your assignment.

Tentative assignment due dates are below. Any changes will be posted on OWL.

1. Jan 21
2. Feb 4
3. Mar 11
4. Apr 1

Midterm Exam: The midterm exam will be on Monday, Feb 11 at the normal class time and location.

Post-Midterm Review In-Class Assignment: On Wednesday, Feb 13, you will be given part of the midterm exam to re-do as an in-class “assignment”. This will be open notes and you are encouraged to work with your classmates in groups. The goal of this is to learn from or teach your fellow classmates and review the material one more time so you retain more of it over Reading Week.

Final Exam: The final exam is cumulative, although more weight will be on material covered after the midterm exam. The time and location of this exam will be announced when the information is received.

Makeup Policy: In case you miss an end-of class quiz or the midterm due to an illness, you must present an official document justifying the absence and the weight of that quiz or exam will be added to the other quizzes or final exam, respectively (e.g. if you miss the midterm the final exam will now account for 65% of your grade). If you can't provide justification for the absence, a mark of zero will be assigned to the exam. Assignments (including the Post-Midterm Review Assignment) received after the deadline will not be accepted and a grade of zero will be attributed. Please see the **Policy Regarding Makeup Tests and Final Examinations** on the last pages for more details.

Tentative Schedule:

Please note the schedule is tentative and subject to change. I'll post any changes on OWL.

Jan 7-9: Introduction and review of dynamic models

Jan 14-16: Review of dynamic models

Jan 21-23: Cash-in-advance model

Jan 28-30: Cash-in-advance model, money surprise model

Feb 4-6: Money surprise model, segmented markets model

Feb 11-13: Midterm Exam; post-midterm review in-class assignment

Feb 18-20: Reading Week (no class)

Feb 25-27: RBC Model

Mar 4-6: New Monetarist Model

Mar 11-13: Keynesian Coordination Failure Model

Mar 18-20: New Keynesian Sticky Price Model

Apr 1-8: Open economies

Please Note
Department Policies for 2018-2019

Remember that 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 and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at:
<http://westerncalendar.uwo.ca>.
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 a notation on an official academic transcript, 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 in class or to the instructor during office hours.
6. When appealing a mark, students should refer to 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.

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 with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A checklist is provided at:
http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals.

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 <u>add</u> a second term half course:	Tuesday January 15, 2019
Deadline to <u>drop</u> a second term half course:	Thursday March 7, 2019
9. 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.

Policy Regarding Makeup Tests and Final Examinations

*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.*

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or having their value reweighted on a retroactive basis, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test 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, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

Students who seek a makeup exam must also provide supporting medical or other relevant documentation that their absence from a scheduled test or exam is beyond their control. Documentation should be submitted to the Academic Counselling Office of the student's *home* Faculty **as soon as possible (preferably within 24 hours of the scheduled test)**. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. If the documentation submitted is not acceptable, students will receive a zero for the missed test.

For personal illness, 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. The off-campus medical certificate form must also be used and can be found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

Notes stating "For Medical Reasons" are not considered sufficient.

For religious or compassionate circumstances, students should ask their Academic Counsellor what documentation to provide. If documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple-color form for final exams). Once students have this form, they must contact their instructor as soon as possible to make arrangements. Even if approved by their Academic Counsellor, there is no guarantee that students will be allowed to write the makeup test/exam.

For final examinations, students need to seek permission from their *home* Faculty Counsellor, Instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in a grade of zero. Students must ensure that the Special Examination form has been signed by the Instructor and Department Undergraduate Director and that the form is returned to the Academic Counselling Office for approval without delay. If approved, makeup examinations will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

The Faculty of Social Science's policies regarding academic accommodation is found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.

"Academic Rights and Responsibilities" are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. Claiming that "you didn't know what to do" is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If the instructor deems a student's class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

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.