

**INTERMEDIATE MACROECONOMIC THEORY AND  
POLICY I  
ECONOMICS 2152B-001  
Department of Economics  
Western University**

**January 2022**

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**Office Hours:** Thursdays 2:30 – 3:30pm via Zoom. You will need your Western credentials to login. Please let me know that you will be attending so that I may start the session.

**Classroom meeting time(s) & location:** Lectures will be asynchronous until Western announces a return to in-person classes.

**Course website:** <https://owl.uwo.ca/portal>

**Undergraduate inquiries:** 519-661-3507 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 course in intermediate macroeconomics. The main objective of the course is to provide students an understanding of basic macroeconomic theory, problems, and policy issues. The course uses a modern approach (with micro-foundations) to study macroeconomic issues. It develops basic theoretical models of goods, labour, and asset markets and their interactions. Topics include short-run fluctuations in economic activities, long-term economic growth, saving-investment, inflation, unemployment, and other related policy issues.

## **Course Learning Outcomes:**

Upon successful completion of the course, the student will:

- Be able to identify the various phases of the business cycle and explain how key macroeconomic variables behave in these phases.
- Be able to distinguish between the differences and similarities of the three methods of national income accounting and will be able to calculate GDP using these three methods.
- Be able to define and calculate various labour market and price level measurements, while discussing the limitations of these measurements.
- Be able to develop both graphically and numerically the one-period and two-period models which represent the micro foundations of our macro model.
- Be able to critically compare and explain the causes and effects of changes in these models and apply this knowledge to new examples.
- Be able to define and explain the income and substitution effects on the representative consumer's choices.
- Be able to derive algebraically and graphically the labour supply curve.
- Be able to analyze and explain the determinants and their effects on the labour and goods markets.
- Be able to distinguish between the sources of growth and solve graphically and algebraically for equilibrium.
- Be able to explain how monetary policy and fiscal policy affects the economy, while discussing the advantages and disadvantages of various types of policies, and understanding the role of the Bank of Canada and the government in implementing these policies.
- Be able to contrast and explain recent recessions in Canadian history as well as the financial crisis.

## **Textbook:**

**Williamson, Stephen D., *Macroeconomics*, 6th Canadian Edition, 2021. Pearson Canada Inc.**

**Bookstore link:** <https://bookstore.uwo.ca/product/cebcodeid30887>

MyLab (MEL): [www.pearson.com/mylab](http://www.pearson.com/mylab) (REQUIRED for assessments)

Course ID: macdonald97054

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**. Students 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.

For instructions on how to gain access to MyLab Economics see the student registration handout for MyLab Economics on the course website in OWL <http://owl.uwo.ca> under Resources>MyLab Economics.

### Technical Requirements:

- Laptop or computer
- Stable internet connection
- Microphone (for virtual office hours)
- Webcam (for virtual office hours)
- 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.

### Grading:

***Note that all dates and times are tentative as they must be approved by Exam Central. Note than in the event that classes stay online, the number, length and weight of the assessments may change. All times are ET.***

Task	Dates	Points
<i>Midterm I</i>	Tuesday, February 8, 2022, 2:40 - 4:15pm	21%
<i>Midterm II</i>	Tuesday, March 15, 2022, 2:40 – 4:15pm.	22%
<i>Quizzes</i>	3 quizzes: Sunday, January 30 <sup>th</sup> , March 6 <sup>th</sup> , April 3 <sup>rd</sup> , 5:30pm – 6:00 pm via Mylab.	12%
<i>Final</i>	To be set by the Registrar	45%

### Important Information

There will be **two mid-term exams** on the dates given above. Rooms will be announced in lectures for about a week prior to each exam and it is your responsibility to make sure you know them in advance of the exam day. They will also be posted on OWL.

Students will be allocated to specific exam rooms. You **must** take the exam in the room assigned. A **penalty** will be subtracted from the exam grade of anyone writing an exam in the wrong room.

You are responsible for all the textbook chapters listed in the outline, **as well as** all material covered in lectures. Not all chapters will be covered in detail in class and some topics that are **not** in the textbook **will be** added in the lectures.

The quizzes and midterms will be mixed format (a combination of multiple choice, true/false, calculation, short answer and/or fill-in-the-blank questions). The format of the final exam will be announced in class. Each quiz will be available to students for **30 minutes** on the date of the quiz. Once you begin the quiz you will have **30 minutes** or until the **closing time**, whichever is shorter, to complete the quiz. Students will only be allowed to submit each quiz once. You are responsible for all the textbook chapters listed in the outline, **as well as** all material covered in lectures. Not all chapters will be covered in detail in class and some topics that are **not** in the textbook **will be** added in the lectures.

Computer marked multiple-choice tests and/or exams will be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating. During assessments, students are forbidden to communicate with any person other than an examination proctor or the instructor. Students are forbidden from using any books, notes, study guides, diagrams, communication equipment such as a cell phone, computer programs or software, online resources or websites, or other aids unless specifically authorized by the instructor. Such authorization must be stated explicitly in the assessment instructions.

## Make-Up Exams

**There are no makeups for the midterms or the quizzes.** 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. You must meet both deadlines, otherwise the instructor will assign a grade of zero. For illnesses, you must print off a medical certificate and take it to the doctor, which you bring to Academic Counselling. The medical certificate can be found at [https://studentservices.uwo.ca/secure/medical\\_document.pdf](https://studentservices.uwo.ca/secure/medical_document.pdf). If the absence for the midterm is excused, then the percentage for that exam will be allocated to the final exam. For missed quizzes, with an approved absence and timely notification to the instructor, (see above) the weight for quiz 1 will be transferred to midterm 1, the weight for quiz 2 will be transferred to midterm 2, and the weight for quiz 3 will be transferred to the final exam.

For those who know in advance that they have a conflict with a quiz it is your responsibility to provide the documentation to the instructor within **48** hours of the **announcement** of the scheduled exam. (This means by January **6<sup>th</sup>**).

Students who miss the final exam must take their documentation to Academic Counselling and notify the instructor within **24** hours. There will be a makeup date set by the instructor. The makeup may differ in length and format from the originally scheduled exam and may be essay format.

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 Winter 2022 term Western University announces any changes to these procedures, please follow those procedures.

### **Classroom Policies:**

#### **Classroom Behaviour:**

*Standard rules of etiquette apply in the classroom.* You are to give full attention to anyone speaking, whether myself or a fellow student. Turn off (or put on vibrate) your cell phone. Do not answer your cell phone in class. No MP3 players or iPods. No texting. If you bring in a laptop, you are to be taking notes, not surfing the internet. Be on time for class. If you are late or have to leave early, enter and exit as quietly as possible. Videography/photography is **NOT permitted** as it may violate the privacy of your classmates. You are to behave so as not to be a distraction to me or to your fellow students. Those students who repeatedly break these rules will be asked to leave the classroom (this includes chronic lateness).

#### **OWL:**

The course website will provide exam dates, assigned problems and **incomplete** lecture slides. ***Extra slides will be added to lectures that are NOT on the website.*** Extra problems will also be added to the lectures that will not be provided on the website.

An outline of the lecture notes will be available on OWL. **You are to bring these chapter outlines to class with you, as I will assume that you have them, and I will not leave you sufficient time to copy this information down.** These lecture notes will not be complete, and by having them with you, it is easy to see which notes must be copied. It is your responsibility to check the OWL site for this class as well as your email on a regular basis. You are responsible for any announcements or assignments made in class as well as on OWL. This includes any changes made to the syllabus as well as test date changes.

#### **Attendance Policy:**

You are expected to attend class on a regular basis. There is a strong correlation between class attendance and performance on the exams. If you miss a class, it is your responsibility to find out what you have missed from a classmate. I do **NOT** provide my lecture notes to students, other than what is on OWL.

#### **E-mail Policies:**

Please refer carefully to the following e-mail policies. According to FIPPA, I am not allowed to respond to non-UWO email addresses. So please use your UWO email address in all communications. Also, please enter the course number in the subject heading of your email. I will try to respond to all emails within 24 hours, not counting the weekend. I will NOT respond to emails such as the following:

- 1) Any question that is on this syllabus or elsewhere on OWL such as exam dates, exam times, course material etc. If you have not received a reply to your question, check the syllabus and OWL.
- 2) The makeup policy is clearly stated on the syllabus, refer to it if needed.
- 3) Requests for extra assignments, reweighting of exams, assignments etc. as these are prohibited under Senate regulations.
- 4) Requests for my lecture notes. I do not provide my lecture notes to students, other than the material which is on OWL.

### **Communication:**

- Students should check the course OWL site for newly posted course material at the start of each week, utilizing the calendar provided.
- Students should check OWL announcements multiple times per week.
- Some important announcements will also be emailed to students' Western email accounts. Students are expected to check their Western email frequently.
- Students should post all course-related content questions on the OWL forum so that everyone can access answers to questions.
- Students are encouraged to answer each other's questions on the forums. The forums will be monitored by the instructor or teaching assistant to correct and/or supplement answers provided by students. Questions not answered by other students will receive a response from the instructor or teaching assistant after about 48 hours.
- For questions unrelated to course content, please contact the instructor via email from your Western email account. Students will receive a response in 24 – 48 hours.

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

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, recordings 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.

### **Preliminary Reading Schedule:**

Material very likely *will be added or deleted* as the course progresses.

### **Introduction**

This section will cover basic definitions and the calculation of national income/output. As well, the major variables and attributes of the business cycle are examined.

Text Chapters 1, 2, 3.

### **Consumer and firm behavior**

In this section the representative consumer and the representative firm is introduced. This topic forms the foundation of our key intertemporal general equilibrium model.

Text Chapter 4.

### **One period model of the economy**

In this section the government sector is added to the consumer's and the firm's decisions and equilibrium is obtained.

Text Chapter 5.

### **Saving and a two period model of the economy**

In this section the model extends the consumer to two periods and studies consumption allocation across time.

Text Chapter 9, 10.

### **Two period model of the economy with investment**

Here the individual parts of the model are brought together and the basic model renders a macroeconomic equilibrium.

Text Chapter 11.

### **Economic growth**

This section deals with the long run growth of the economy.

Text Chapter 7.

If time permits, we will have a brief discussion of Canadian macroeconomic policies.

### **Remarks:**

1. The course outline is tentative. While an attempt will be made to follow the outline as closely as possible, things may change as the course progresses.
2. You are responsible for all content covered in the lectures and the assigned chapters of the textbook. Some chapter content may not be covered in the lectures and some lectures will **not** be in the textbook.

**Please Note**  
**Department & University Policies for Winter 2022**

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 a second term half course:

**Tuesday January 18, 2022**

Deadline to drop a second term half course:

**Monday March 14, 2022**

### **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 [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. 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](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 [https://uwo.ca/health/mental\\_wellbeing/](https://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.