

INTERMEDIATE MACROECONOMIC THEORY AND POLICY I  
ECONOMICS 2152B-650  
Department of Economics  
Western University

**January 2022**

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**Office hours:** Held online using ZOOM (details provided on course website)  
Tuesdays: 3:30 – 4:30pm Eastern Time (ET);  
Thursdays: 3:30 – 4:30pm ET;  
Students must sign up for 10-min time slots during these allocated office hours using the sign-up tool in OWL. All these details are tentative and subject to change, should the need arise.

**Delivery mode:** Online asynchronous class

**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/Antirequisite Note:**

The prerequisite(s) for this course is are 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:

- 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;
- 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;
- students will learn what is an economic model and why models are useful in formulating and answering economic questions;
- 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);
- students will be able to assess the predictions of macroeconomic theories and compare them to Canadian data;
- students will be able to answer simple macroeconomic policy questions with the use of the model(s) introduced and developed throughout the course;
- students will understand main drivers of economic growth and engage in discussions about determinants of growth across different countries;
- students will learn to apply their math skills for answering economic questions and understand why math skills are crucial to be a good economist.

## Required Course Materials:

This course **requires** the **eText** listed below and **MyLab**. The eText and MyLab bundle can be purchased from Western's Bookstore: <https://bookstore.uwo.ca/product/cebcodeid30887>

**eText:** Stephen D. Williamson, Macroeconomics, **Sixth Canadian Edition**, Pearson

**MyLab** is required for all assessments. Register using details below, or log into OWL for downloading detailed registration steps. Please be sure you use your @uwo.ca email address, as well as the name that you used when you registered for the 2152B course.

<https://mlm.pearson.com/enrollment/cociuba77955>

CourseID: cociuba77955

**Important Note:** **You must be registered for MyLab no later than Friday, January 21.**

**Other Important Notes:** If you are wondering about not purchasing the eText and MyLab bundle marked as required above, and instead you'd like to use Stephen D. Williamson, Macroeconomics, **Fifth Canadian Edition**, Pearson instead of the **Sixth** Canadian Edition, please note the following:

1. Only the sixth Canadian edition is available as eText.
2. If you plan to take both 2152 and 2153, I recommend that you purchase the sixth Canadian edition of the textbook so that you have access to all textbook changes. Follow the link at top of this section and get the required eText and MyLab bundle.
3. If you plan to only take 2152 and do not plan to take 2153, and if you have a printed copy of the fifth Canadian edition of the textbook which you plan to use instead of the sixth, please note the following.
  - a. You still need to purchase MyLab, so please contact Pearson to get your access code;
  - b. I will assign readings based on the sixth Canadian edition, and not the fifth. I will not be answering questions related to how material assigned from the sixth Canadian edition compares to that in the fifth Canadian edition of the textbook. If you email me questions about the edition of the textbook, I will refer you to this section in the course outline;
  - c. While I acknowledge that there are small changes in material between the fifth and sixth Canadian editions of the textbook, by choosing to use the fifth Canadian edition you acknowledge that you take full responsibility for the material that you need to prepare. Discrepancy of material between these two editions of the textbook is not an acceptable basis for grade appeals.

You should not use any textbook edition before the fifth one (e.g., fourth, third, etc.), and you should also be sure you always use the Canadian edition.

**Communication:** Updates about the course will be delivered via OWL announcements. I will plan to keep communications easy to read by having the same topics covered from week to week. Students are responsible for keeping up to date on all announcements sent.

## Technical Requirements

This course requires that you have access to:

- a laptop or computer for taking all assessments in MyLab (see details below)
- a stable internet connection for taking all assessments in MyLab (see details below)
- a microphone for participating in online office hours
- a webcam (optional) for participating in online office hours.

As an economics instructor, I do not help solve technical problems regarding computers or internet connection issues. 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:

You are responsible to notify me **no later than Thursday, January 20<sup>th</sup>** of any academic conflicts you have with the assessments planned in this class (see Table 1 below). If I do not hear of any conflicts by January 20<sup>th</sup>, I will assume everyone is available to take the assessments in this course at the specified days and times.

Your course grade will be based on 1 poll, 3 midterms and 1 final exam, as outlined in Table 1 below. All assessments are administered via MyLab. **Reminder:** You must be registered for MyLab no later than Friday, January 21 with your @uwo.ca email address to be ready for the first assessment.

<b>Table 1. Assessments*</b>	The Poll and all Midterms have a time window of 3-5:15pm Eastern Time (ET)**	Tentative Material	Weight
Poll	Friday, January 21	Not 2152B material (see below)	2%
Midterm 1	Friday, January 28	Chapters 1, 2, 3, 4	24%
Midterm 2	Friday, February 18	Chapters 4, 5	24%
Midterm 3	Friday, March 11	Chapters 9, 10	24%
Final Exam (cumulative)	Set by Registrar's Office	All Chapters: 1, 2, 3, 4, 5, 9, 10, 11, 7	26%
Course grade = Poll (2%) + Midterms (3*24% = 72%) + Final Exam (26%)			

\* The Registrar's office is in the process of approving the tentative schedule of assessments in Table 1. You will be notified of any changes. The exact coverage of material is also tentative and will be confirmed ahead of each assessment.

\*\* Each Friday listed in Table 1 the assessment is available on MyLab from 3pm to 5:15pm Eastern Time (ET). The poll will take a few minutes to complete. All midterms are allocated 90 minutes to complete within the 135-minute time window. This means that you can choose your exact start time within the time window, but everyone has 90 minutes once the assessment is started. I strongly encourage students to start the assessments at 3pm. Starting the assessment at 3:45pm means there are 90min left to complete the assessment, but zero minutes to deal with any technical difficulties. Starting the assessments after 3:45pm means

that you won't have the full 90min that I allocated. At 5:15pm the assessment submits automatically, if you haven't submitted it already.

The poll on Friday, January 21 covers questions related to your location in the world and your availability for office hours. For example, are you currently living in London, Ontario or in a different time zone? Are you able and interested in attending office hours? Skipping the poll means you lose 2 points of your final course grade; there is **no make-up** for this poll.

Midterms 1, 2 and 3 are each worth 24% of your final course grade. **There are no make-ups for midterm exams** (more details below). The final exam is 26% of the course grade.

The following **reweighting rule** applies to all **students who have taken all four exams** (3 midterms and 1 final). If the final exam grade is higher than the lowest midterm grade, the weight of the lowest midterm is changed to 12%, while the final exam weight is changed to 38% (All other weights stay the same). If you know you have not done well on one of the midterm exams, the reweighting rule provides incentives to improve your overall grade if you perform better on the final. This reweighting rule does not apply to students who miss any of the 4 exams.

All assessments are administered via MyLab. Assessments are mixed format, covering multiple choice questions and short answer questions that require calculations.

All assessments are open book. **To be successful in this class, you should prepare for all assessments as if they are in-person, closed-book assessments.** If you plan to consult resources for every single question on any assessment, you will likely run out of time, be unable to complete the assessment and get a low score. Running out of time is not a basis for appealing your grade. The assessments are designed in a way to ensure there is enough time if you've prepared for and know the material. **Prepare as though all assessments were in-person and closed-book, so that when you take the assessment, you spend your time thinking about the questions rather than reviewing course material.**

If you miss any assessments, request academic consideration either through a self-reported absence (SRA) or an absence approved by the Academic Counselling office. All medical and non-medical absences are reviewed by the Academic Counselling office who then decides whether to approve the absences or not. Please do not email me with details regarding why you missed an assessment. For more details, please see Western University's policies on pages 9 and 10 of this course outline.

If the *academic counsellor does not approve your absence* from an assessment, or if there is *no justification for your absence*, a grade of zero is assigned to that assessment. If you use an SRA for an absence or the *academic counsellor approves your absence* from an assessment, the rules 1 through 5 apply.

1. According to University policy, once a student opens and starts an online test, they are no longer permitted to use a self-reported absence.
2. There is **no make-up and no accommodation for the poll** which is 2% of your final course grade. You must take this poll on Friday, January 21 during the allotted time window. This date was chosen since it is after the last day to add a course in the Winter term (which is January 18).

3. There is **no make-up for the 3 midterm exams**. The following accommodations and rules apply to students who miss midterms with an approved absence.
  - a) The reweighting rule doesn't apply if a midterm is missed for any reason.
  - b) If a student misses 1 midterm only with an approved absence, the weight of that midterm is transferred to the final, which becomes 50% of the course grade. The new weights in this case are poll (2%), each of the two midterms taken (24%) and the final (50%). Note that weights add up to 100%.
  - c) If a student misses 2 midterms with an approved absence, the following new weights apply: poll (2%), midterm taken (48%), final taken (50%). Note that weights add up to 100%.
  - d) Missing all 3 midterms (with an approved or not approved absence) is likely to result in an inability to meet the course learning outcomes and you may not be permitted to pass the course. Contact me for additional steps.
4. If you miss any assessments because you have not registered for MyLab, a grade of zero is recorded for each missed assessment, and all other policies apply.
5. If you register for MyLab with a personal email address (and not your @uwo.ca email address) notice that grades for those assessments cannot be used in this course (in other words those assessments are recorded as zeros). You must be registered for MyLab with your @uwo.ca email address and the name that you gave the Western Registrar's office, and you must take assessments using this MyLab account.

You are responsible for all content covered in the assigned chapters of the textbook as well as in the PDF of lecture notes and all other resources posted on OWL. Some chapter content may not be covered in the PDF of lecture notes, and some content may not be in the textbook.

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

- You 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**. You may take notes and make copies of course materials for your own educational purposes only.
- You 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.
- You will be expected to take an academic integrity pledge before all assessments.

## 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 online lecture notes will not appear in the textbook but may still appear on assessments.

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]

**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.