

**Department of Economics**  
**Carleton University**  
**ECON 2102A - Intermediate Macroeconomics I**  
**Summer 2024**

**Instructor:** Matt Soosalu

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**Instructor Office Hours:** Via Zoom by appointment. Appointment times available between Monday and Thursday, and require 24 hours notice.

**TA:** TBD

Please read this document prior to the first class. This course will heavily rely on Brightspace. It is each student's responsibility to check Brightspace for posted materials, including lecture notes, links, assignments, and all updates. Communications to the class will be done through Brightspace.

**Prerequisites and Preclusions:**

Prerequisite(s): Precludes additional credit for ECON 2101. Prerequisite(s): ECON 1002 or ECON 1000 or FYSM 1003 with a grade of C- or higher; ECON 1401/MATH 1401 (with a grade of C- or higher) and ECON 1402/MATH 1402, or equivalent department-approved MATH course pair. May be taken concurrently with ECON 1402/MATH 1402.

A grade of C- or higher is required to qualify for ECON 2103; a grade of C+ or higher is required to qualify for ECON 4021. DEF(ered final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Renée Lortie.

## **1 Course Description**

This is the first of a sequence of two courses that aim at explaining the functioning of the aggregate economy and answering questions, such as: what is monetary policy, what is fiscal policy, how do they work, can policy influence unemployment, etc. The purpose of this course is to develop a set of theoretical concepts and models, and then to use them to analyze the macroeconomic problems and policy issues experienced by closed and open economies both in the long run and in the short run. The intermediate case is developed and discussed in the second course of the sequence, ECON 2103. We will first focus on the distinguishing aspects of long run versus short run models. We will then turn to the short run analysis of aggregate demand, starting with the simple Keynesian Model, and continuing on to its extension into the fixed-price IS-LM model in a closed economy setting. We will then extend the short run, fixed-price IS-LM model to the open economy and discuss the difference that it makes to closed economy analysis if the economy is connected through trade in both goods and financial assets with the rest of the world under fixed or flexible exchange rates. Finally, we will turn to an analysis of the factors that determine long run growth.

**Required Text:** Gregory Mankiw and William M. Scarth, *Macroeconomics*, MacMillan, 6th Canadian edition, ISBN: 9781319115593.

**Other (helpful) text:** Rudiger Dornbusch, Stanley Fischer, Richard Startz, Gordon Lenjosek, Raúl Razo-García, *Macroeconomics*, 8th Edition, McGraw Hill, 2021.

## 2 Class Format

### 2.1 Lectures

Classes will be held over zoom. These will take place during the during the time of the class. In the first class, goals, logistics, and expectations of the course will be explained and the course outline will be reviewed. Students are expected to attend the virtual lectures. Lectures will not necessarily be recorded.

### 2.2 Tutorials

The tutorial period may be used for lectures, tutoring, problem solving sessions, reviews sessions and going over answers to course material by the TA.

#### Meeting Protocol for all live lectures and tutorials:

1. Must sign in with your REAL FULL NAME as it appears on your CU students ID (so I can identify you).
2. Do not disclose any information that might be considered confidential, sensitive, or personal. If you need to discuss any personal issue, please contact me directly by email (using your Carleton email address).
3. In accordance with Carleton's confidentiality guidelines, recording the sound and video during the meeting is not permitted.

### 2.3 Brightspace

This course will make extensive use of Brightspace. On top of all assignment submissions, materials such as lecture slides and additional readings will be posted on Brightspace. Brightspace will also be used to send announcements to the class.

Because this may be your first time using/accessing Brightspace, please make sure you are familiar with it **before** classes begin. For additional information on Brightspace and how to navigate it, please see: [Brightspace Tour for Students](#).

## 3 Evaluation

Student performance in this course is evaluated as follows:

### 3.1 Problem Sets (20%)

There will be two (2) assignments each worth 10%. **Late submissions will not be accepted.** If you fail to submit a problem set and do not provide proper documentation, you will be assigned a mark of zero.

### 3.2 Midterm 35%

There will also be a midterm, with the exact date to be confirmed in class.

There will be no deferred midterm. Students who can document a compelling reason for missing the midterm exam will be excused, and the weight of the midterm will be automatically added to the final exam. This documentation may be subject to verification.

### 3.3 Final Exam (45%)

The final exam will be online as scheduled by the University during the exam period. Students are not to make travel plans during the exam period as that is not a valid reason for missing a final exam. For updates on the schedule, consult [Scheduling and Examination Services](#). The final exam will be cumulative, though it will be weighted toward the second half of the course.

Further details on the Problem Sets, Midterm, and Final Exam will be discussed in the first class and posted on Brightspace early in the semester.

### E-Proctoring

Please note that some tests and examinations in this course will use a remote proctoring service provided by Scheduling and Examination Services. You can find more information [here](#).

### Satisfactory Performance Criteria

Students must fulfill all of the course requirements, including the final exam, in order to achieve a passing grade (D- or higher).

### Academic Standing

Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No grades are final until they have been approved by the Dean.

## 4 Topics to be Covered

Throughout the semester we will be discussing the following topics in order. Listed with each topic are the required readings from the textbook.

1. Introduction and National Income Accounting
  - Mankiw and Scarth Ch. 1,2,3
2. Time Horizons in Macroeconomics: The economy in the short run
  - Agg. Demand and Agg. Supply: Short run and long run (Ch. 10)
  - The Goods Market and the Money Market, Deriving the IS and LM Curves (Ch. 11)
  - Monetary and Fiscal Policy in the Short Run: Working with the IS-LM Model (Ch. 12)
3. The Open Economy
  - The Foreign Exchange Market (Ch. 6)
  - Extending the IS-LM model to the Open Economy (Ch. 13)
4. Economic Growth and the Solow Model

- Mankiw and Scarth Ch 8, 9. (9.1, 9.2)

Disclaimer: I may make slight modifications/additions to the list of readings. Any such change will be announced in class and/or on Brightspace.

**Plagiarism:** Please be aware that plagiarism is a serious offence in this course and at Carleton in general. All graded submissions for this class are solo projects, therefore each student must submit independent and original work in order for your work to be considered for grading. For more information, please visit [Academic Integrity and Offenses of Conduct](#). You are responsible for reading and knowing the information about plagiarism, about Carleton University resources, and about academic accommodation found [here](#).

**Academic Accommodation** You may need special arrangements to meet your academic obligations during the term. For an accommodation request and for more information on academic accommodation, please contact the departmental administrator and visit: [Academic Accommodations](#).

**Re-grading Policy:** Any request for regrading assignments or exams must be submitted in writing within one week of that assignment or exam first being returned to the class. The request should contain a detailed explanation of why you feel you should receive a higher grade. Please note that the entire assignment or exam will be regraded and not just the contentious question. As a result, the revised grade may be higher than, lower than or the same as the original grade.

**Deferred Finals:** Students who do not write the final examination because of illness or other circumstances beyond their control may apply for to write a deferred final examination by contacting the Registrar's Office no later than three working days after the original final examination was scheduled. In the event that a student writes a deferred examination, the deferred examination will carry the same weight as the final examination in determining the course grade. Any deferred examination will not be identical to the original final examination.

Deferred finals (which must be applied for at the RO) are only available if the student is in good standing in the course, so if there is a minimum standard a student must meet in order to be in good standing, and entitled to write a deferred final exam, this standard must be stipulated here.