Course Description

Until two centuries ago, per capita incomes were not very different among the countries of the world. Furthermore, levels of economic activity were fairly stable from year to year. Macroeconomics explores the factors that underlie the differences in living standards that have emerged between the richest and poorest countries, and why economic activity fluctuates from year to year. It studies how economies grow, change over time, and interact with one another.

The main objective of this course is to provide a framework to understand how the economy works in the aggregate, grows in the long run, and fluctuates in the short run. In pursuing this goal, the course will explore interesting and important issues in macroeconomics including:

- How do we measure an economy’s performance?
- What causes fluctuations in the levels of economic activity in the short run?
- What drives long run economic growth and improvements in living standards?
- How do government fiscal policies influence the level of economic activity?

Required Textbook and Website:


This text was selected since it offers a comprehensive learning package. It is well-organized, up-to-date, and covers current and interesting issues in economic analysis with a focus on topics of Canadian interest. This text was also selected to utilize the online course assignment and practice tool resources that accompany the text.

Online Resources:

This course is structured to follow the chapters of the above course textbook, and use the learning and assignment tools provided through Aplia.com. Online material will consist of practice problems, online assignments and practice tests.

Access to the electronic version of the textbook and all course resources can be purchased via the above website for $60 (subject to change) in accordance with the University’s policy on Technology Enhanced Learning Resources:


Hardcopies of the course textbook, if desired, and access to all course resources can be purchased as a package via the University bookstore, at a cost of approximately $115.

Students will need to set up an account at the web location listed next to use the online resources. Instructions are provided below (subject to change): Do not create more than one course account since the online grading system will generate zero grades for class members with duplicate accounts.
Used versions of the textbook are not recommended since all class members will require an Aplia account through online purchase of the eBook, or the access code provided with the hardcopy book purchased through the university bookstore.

**cuLearn**
CuLearn will not be used for this course since it does not provide a platform with comparable capabilities to that of the textbook publisher for online assignments and practice tools customized to the models, diagrams and calculations that will be used in this course.

**Assignments**
Course assignments will provide formative assessments for class members, providing feedback and guidance on their level of understanding, in addition to assessing each student’s performance on the material within each chapter. Each Assignment (except the Warm-up assignment) has a weight of 13% of the overall course grade. For each Assignment, a Preparation Assignment will be available consisting of questions analogous to the corresponding graded Assignment.

Four course assignments are to be completed online via Aplia.com web site:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Course Weight</th>
<th>Chapter</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warm-up Assignment</td>
<td>0%</td>
<td>2 (Appendix)</td>
<td>Jan 20</td>
</tr>
<tr>
<td>Assignment 1</td>
<td>13%</td>
<td>5, 6</td>
<td>Jan 27</td>
</tr>
<tr>
<td>Assignment 2</td>
<td>13%</td>
<td>7, 8, 9</td>
<td>Feb 24</td>
</tr>
<tr>
<td>Assignment 3</td>
<td>13%</td>
<td>10 to 14</td>
<td>Mar 24</td>
</tr>
<tr>
<td>Assignment 4</td>
<td>13%</td>
<td>15, 16, 17</td>
<td>Apr 7</td>
</tr>
</tbody>
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## Macroeconomics: Course Material by Week

<table>
<thead>
<tr>
<th>Phase</th>
<th>Topics</th>
<th>Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1</strong>&lt;br&gt;<strong>The Data of Macroeconomics</strong>&lt;br&gt;Lectures 1 – 5</td>
<td>Measuring a Nation’s Income</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Measuring the Cost of Living</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Production and Growth</td>
<td>7</td>
</tr>
<tr>
<td><strong>Phase 2</strong>&lt;br&gt;<strong>Money, Inflation and Unemployment</strong>&lt;br&gt;Lectures 6 – 12</td>
<td>Saving, Investment and the Financial System</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Unemployment and Its Natural Rate</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>The Monetary System</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Money Growth and Inflation</td>
<td>11</td>
</tr>
<tr>
<td><strong>Phase 3</strong>&lt;br&gt;<strong>The Macroeconomics of Open Economies</strong>&lt;br&gt;Lectures 13 – 20</td>
<td>Open-Economy Macroeconomics: Basic Concepts</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>A Macroeconomic Theory of the Open Economy</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Aggregate Demand and Aggregate Supply</td>
<td>14</td>
</tr>
<tr>
<td><strong>Phase 4</strong>&lt;br&gt;<strong>Short-run Economic Fluctuations</strong>&lt;br&gt;Lectures 21 – 24</td>
<td>Influence of Monetary and Fiscal Policy on Agg. Demand</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Short-Run Tradeoff between Inflation and Unemployment</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Five Debates over Macro Policy</td>
<td>17</td>
</tr>
</tbody>
</table>

**February Break:** February 18 to 22

**Final Exam:** To be released February 15 ([www.carleton.ca/ses](http://www.carleton.ca/ses)) with the date set during the April 12-27 Final Examination period.
Evaluation
The course grade will be based on 4 online assignments and a Final Exam.

<table>
<thead>
<tr>
<th>Course Grade</th>
<th>Weight</th>
</tr>
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<tbody>
<tr>
<td>Assignments (4)</td>
<td>52% (13% each)</td>
</tr>
<tr>
<td>Apr Final Exam</td>
<td>48%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Teaching Assistance
Teaching Assistants are available throughout the term to assist students in understanding the course material. The schedule of T.A. Office Hours will be posted on the course website toward the middle of January. Students are invited to consult the Teaching Assistants to help understand economic concepts covered in the course, or to assist with Assignment or test preparation.

Online Resources
Chapter Summaries
Slideshow presentations will provide summary notes corresponding to the material covered in each chapter.

Practice Tests
A series of daily Practice Tests (10 multiple choice questions) will be available each day for 10 days before each test to assist with test preparation by presenting questions corresponding to the material to be covered on the test. Availability will not be extended.

Study Skills Incentive Program
This course is registered in the Incentive Program offered through the Centre for Student Academic Support. Students who receive an overall course grade following Assignment #2 below 70% are invited to increase their course scores by earning a 1 percentage point bonus per workshop attended, up to a maximum of 5 percentage points, or until a grade of 70% is achieved. The 45-minute workshops are offered frequently and at various times to accommodate student schedules, including online workshops. Study Skills workshops must be completed before the last day of classes.

The goal of attending the Incentive Program workshops is to develop and refine the academic skill set of students performing below average in this course. The five allowable workshops for this course are:

i. Test and Exam Preparation
ii. Time Management
iii. Academic Reading
iv. Note-Taking
v. Managing Procrastination

For further details and registration information, see: [http://carleton.ca/csas/incentive-program/](http://carleton.ca/csas/incentive-program/).

Please note that it is the student’s responsibility to sign in for workshops to obtain credit for participating. Workshop participation will be communicated to the course instructor only after classes have finished for the term. Correspondingly, bonus marks for the incentive program will be added to course grades only upon the conclusion of classes for the term.
The Incentive Program is not offered to class members scoring above 70% on the course after Assignment #2, but instead focuses on improving the study skills of students below the B- level in the course.

**Administrative Details**

All courses offered by the Faculty of Public Affairs and Management are governed by the rules provided in the 2018-2019 Undergraduate Calendar ([http://carleton.ca/cuuc](http://carleton.ca/cuuc)).

**No Distribution of Course Materials**

Posting of course material to Internet websites is prohibited. Materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

**Tests**

Course tests are ‘closed book’. Reference material is not permitted. While tests are being written, students may not communicate with anyone except the Instructor, Teaching Assistants or Proctors.

**Email**

Email communications concerning confidential matters such as grades must come from the student’s Carleton University email address.

**Qualification Requirements for Higher-level Courses**

A grade of C- or higher is required in ECON 1002 to qualify for ECON 2102 and ECON 3001.

**Preclusions**

ECON 1002 precludes additional credit for ECON 1000 and FYSM 1003. DEF(erged final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

**Plagiarism**

Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at: carleton.ca/economics/courses/writing-preliminaries.

**Final Course Grades**

Students must fulfill *all* course requirements in order to achieve a passing grade (D- or higher).

Application to write a deferred final examination must be made through the Registrar’s Office.

See Academic Regulation 2.3 for the official meanings of these grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Note also that grades may be adjusted in accordance with the distributional norms of the Faculty of Public Affairs.

**Requests for Academic Accommodation**

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:
**Pregnancy Obligation**
Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: [carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

**Religious Obligation**
Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: [carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

**Academic Accommodations for Students with Disabilities** ([carleton.ca/pmc](carleton.ca/pmc))
If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made.

**Survivors of Sexual Violence**
As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: [carleton.ca/sexual-violence-support](carleton.ca/sexual-violence-support)

**Accommodation for Student Activities**
Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. [https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf](https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf)

For more information on academic accommodation, please contact the departmental administrator or visit: [students.carleton.ca/course-outline](students.carleton.ca/course-outline)