

**CARLETON UNIVERSITY**  
**Department of Economics**  
**Intermediate Macroeconomics I**  
**ECON 2102 B**  
**2019 Fall**

**CONTACT INFORMATION**

**Professor:** Raul Razo-Garcia

**Office:** A-804 Loeb Building

**Course Website:** The course web site will be hosted by **cuLearn**. All email communication will be conducted via the **cuLearn** facility.

**COURSE INFORMATION**

**Lectures:** Tuesday and Thursday 10:05-11:25 UC 182

**Tutorials:** Thursday 8:35-9:55 Mackenzie Building 3380

**Office Hours:** Tuesday 12 - 1:00 pm; or by appointment (via **cuLearn** mail service)

**Prerequisite:** ECON 1000 or Econ 1002 or FYSM 1003 with a grade of C- or higher; ECON 1401 (or equivalent) with a grade of C- or higher; and ECON 1402 (or equivalent), which may be taken concurrently with ECON 2102. 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.

A grade of C- or higher in ECON 2102 is required to qualify for ECON 2103; a grade of C+ or higher is required to qualify for ECON 4021. DEF(erred final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

**Preclusions:** This course precludes any additional credit for ECON 2101.

**Course Content Copyright:** Classroom teaching and learning activities, including lectures, discussions, presentations, etc., by both instructors and students, are copy protected and remain the intellectual property of their respective author(s). All course materials, including PowerPoint presentations, outlines, and other materials, are also protected by copyright and remain the intellectual property of their respective author(s). Students registered in the course may take notes and make copies of course materials for their own educational use only. Students are not permitted to reproduce or distribute lecture notes and course materials publicly for commercial or non-commercial purposes without express written consent from the copyright holder(s).

### Required Textbook:

- Mankiw, N. Gregory and Scarth, William M., *Macroeconomics*, 5<sup>th</sup> Canadian Edition, 2014, Worth Publishers, New York.

### Supplementary Material:

- Mankiw, N. Gregory and Scarth, William M., **LaunchPad** *Macroeconomics*, 5<sup>th</sup> Canadian Edition, 2014, Worth Publishers, New York.

Students may also use the fourth edition of the textbook if they choose but bear in mind the following two issues: 1) for the chapters we will cover, there is some additional discussion included in the fifth edition that is not contained in the fourth edition (while this extra discussion will not be “required reading,” students may nevertheless find it helpful); 2) students moving on to take ECON 2103 may (depending on the instructor) be required at that time to use the fifth edition exclusively. Finally, students can get bonus credit if they use the **LaunchPad** platform available for the 5<sup>th</sup> edition to take quizzes and prepare for exams.

### OVERVIEW OF THE COURSE:

This is the first course of a two-course sequence (along with ECON 2103) in Intermediate Macroeconomics. The main objective of the course is to present a systematic way to understand and analyze the behaviour of the aggregate economy by developing simple macroeconomic models that can be usefully applied to analyze the functioning of closed and open economies at two different horizons: the short and the long run. In particular, the course will address questions such as why the economy continues to grow over time, why it tends to fluctuate about this long-run growth rate in the short-run, and how macroeconomic policy can work to influence these aggregate fluctuations. In the first part of the course we will learn about how macroeconomics represents the structure of the macro-economy in terms of the output produced by productive resources, the factor inputs used to produce this output, the incomes generated through this production, and the role of money, interest rates and markets in the process. Following this we will learn about some traditional economic models that have been used to understand and predict the behaviour of the economy in the short-run and the long-run. For the short-run, we will focus on developing and analyzing the fixed price IS-LM model of aggregate demand, although we will also briefly discuss how this model contrasts with the equilibrium market-clearing models of the business cycle. For the long-run, we will develop the Solow model of exogenous economic growth.

The following topics will be covered from the required textbook (Mankiw and Scarth):

1. Introduction, data and measurement [**Chapters 1 and 2**]
2. The building blocks of the macro-economy
  - National income, production, and the factors of production (**Chapter 3**)
  - Money and inflation (**Chapter 4**)
3. Economic Fluctuations: the closed-economy in the short-run
  - Introduction to business cycles (**Chapter 9**)

- The IS-LM model of aggregate demand (**Chapter 10**)
  - Monetary and fiscal policy in the short run: Working with the IS-LM model (**Chapter 11**)
4. Economic Fluctuations: the open-economy in the short-run
- The foreign exchange market (**Chapter 5**)
  - Extending the IS-LM model to the open economy (**Chapter 12**)
5. Long Run Economic Growth
- The basic Solow-model (**Chapter 7**)
  - Technological progress, empirics and policies (**Chapter 8**)

Disclaimer: I may make modifications/additions to the list of readings. Any such modifications will be announced in a timely fashion in class and/or via cuLearn.

### GRADING POLICY:

Your final grade will be obtained as follows:

- Assignment 1: **5%** (October 1<sup>st</sup>, tentative)
- Assignment 2: **5%** (October 17<sup>th</sup>, tentative)
- Assignment 3: **5%** (November 21<sup>st</sup>, tentative)
- Assignment 4: **5%** (December 5<sup>th</sup>, tentative)
- Midterm: **35%** (November 5<sup>th</sup> during lecture)
- Final Exam: **45%** (during the December Exam Period as Scheduled by the University)

This % grade will then be converted into the alphabetical grade system using the standard equivalences, as outlined in Section 2.3 of the Academic Regulations of the University in the 2019-2020 Undergraduate Calendar. 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.

**LaunchPad:** Students who enroll for this course can **purchase** access to LaunchPad, an online tool provided by the publisher of the textbook. Any activity on LaunchPad is **NOT** a part of the requirements of this course. But I encourage students to utilize resources on LaunchPad to understand in detail the concepts and models that we will review during this term. Students can obtain a **bonus credit** (0.5% of total credit) by completing the “**Learning curve**” of the following chapters: 2, 3, 4, 5, 7, 9, 10, 11, and 12 and another 0.5% of total credit by scoring at least 70% in the online quizzes for the same chapters. You can retake the quizzes up to three times if you did not get 70% or higher.

To be eligible for the bonus credits, the activities in each chapter should be completed before the following dates (at 10am):

- Ch 2 Sept 17
- Ch 3 Sept 24
- Ch 4 Oct 1st
- Ch 9 Oct 8th
- Ch 10 Oct 17th
- Ch 11 Nov 10th
- Ch 5 Nov 14th
- Ch 12 Nov 21st
- Ch 7 December 3rd

### Teaching Assistant and Tutorials:

The teaching assistant will hold weekly office hours (the time and location will be posted on cuLearn) and tutorials. Tutorial sections will be held on Thursdays from 8:35am to 9:55am (Mackenzie Building 3380) and will be used to cover **new material**, to discuss the solutions to assignments and midterm, and to review material as a preparation for upcoming exams. Lectures move quickly. Tutorial sections are a key part of learning the material.

**CuLearn:** During the term, I will post lecture notes, problem sets, due dates, etc. I will also use cuLearn to make announcements and communicate with you the dates of the tutorials and the material covered in those. Students are responsible for regularly checking **cuLearn** to ensure that they are up to date with any announcements and have access to the documents posted.

**Assignments:** The assignments will consist of several questions and problems and must be submitted **in person** at the beginning of lecture on the due date. **Late assignments will not be accepted and will receive a grade of zero.** Students should retain some form of copy of each assignment when handing them in. Students may wish to work together on assignment material, **BUT each student MUST write up their own assignments INDEPENDENTLY.** In this connection, please be sure to read Section 14.3 of the Academic Regulations of the University in the 2019-2020 Undergraduate Calendar, especially with regard to plagiarism and unauthorized cooperation and collaboration. For further information on recognizing and avoiding plagiarism, see Pammett on Plagiarism and Paraphrasing at “**Pammett on Plagiarism and Paraphrasing.**” The solutions to the assignments will **not** be posted on cuLearn, instead these will be provided during the tutorials.

**Midterm:** If you miss the midterm it will be treated in two ways. First, you may provide written evidence from an authority explaining your absence (e.g. doctor’s note or police report, **the documentation provided by students for missed midterm may be subject to verification**). If you meet this condition you will receive the same **rank-based score** you earned on the final. Alternatively, absent written explanations, you will receive a zero for

the midterm. You have until November 12<sup>th</sup> to submit your document along the “Consent to Release Information to a Third Party” form (you can download this form from cuLearn). The midterm will cover all the topics discussed until and including October 17<sup>th</sup>. **Write your midterm examination in pen or you lose the option of having any marking errors corrected. Note that the midterm will last 85 minutes, and will take place during the lecture time on November 5<sup>th</sup>.**

**Final:** The final exam will cover all the chapters and material covered in class (i.e., cumulative). Application to write a deferred final examination must be made at the Registrar’s Office in writing no later than three working days after the original final examination was scheduled. **The documentation provided by students for missed examination(s) may be subject to verification.** 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. Needless to say, any deferred examination will not be identical to the original final examination.

**Re-grading Policy:** Any request for regrading exams must be **submitted in writing** within **one week** of that 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 I will regrade the entire exam not just the contentious question. As a result, the revised grade may be higher than, lower than or the same as the original grade.

**Satisfactory Performance Criteria:** Students must fulfil all of the preceding course requirements in order to achieve a passing grade (D- or higher). Failure to write the final examination when the student has achieved satisfactory performance during the term will result in a grade of ‘F’. A change of grade will be submitted when the deferred final exam has been written, if granted by the Registrar’s office, and the marks are available. See Academic Regulation 2.3 for the official meanings of the grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean.

**Plagiarism:** Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see **“Pammett on Plagiarism and Paraphrasing.”**

## ACADEMIC ACCOMMODATIONS

You may need special arrangements to meet your academic obligations during the term. For an accommodation request the processes are as follows:

1. **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**.
2. **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**.
3. **Academic Accommodations for Students with Disabilities:** If you have a documented disability requiring academic accommodations in this course, please contact the Paul

Mention Centre for Students with Disabilities (PMC) at 613 – 520 – 6608 or [pmc@carleton.ca](mailto: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. Please check the **PMC website**.

4. **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 its 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](http://carleton.ca/sexual-violence-support)

5. **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: [carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf](http://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf)