

**PLEASE NOTE THAT SOME CHANGES COULD BE MADE TO THIS OUTLINE  
BEFORE JANUARY 17, 2020**

**Carleton University  
Department of Economics**

**ECON 2102 G – Intermediate Macroeconomics I**

**Winter 2020**

**Instructor:** Professor F. Demers  
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**E-mail:** fanny.demers@carleton.ca  
**Office Hours:** Tuesday 1:00 pm – 2:30 pm (Tentative)

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**Lectures:** Tuesday and Thursday 4:05 pm to 5:25 pm in Southam Hall, Room 306.

**Tutorial:** Tuesday 2:35 pm to 3:55 pm in Southam Hall, Room 306.

**Prerequisites for this course:** ECON 1000 or FYSM 1003 with a grade of C- or higher, ECON 1002 (or equivalent) 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. Precludes additional credit for ECON 2101.

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, Renee Lortie.

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(erred final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

**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 determines inflation, what is monetary and fiscal policy and 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.

Please note that elementary mathematics will be used in this course.

**Required Text:**

N. G. Mankiw and W. Scarth, *Macroeconomics: Fifth Canadian Edition*, New York: Worth Publishers, 2014.

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Additional readings or material may be assigned during the term.

### COURSE OUTLINE

- I. Introduction and National Income Accounting**  
Mankiw and Scarth, Chapter 1, Chapter 2, and Chapter 3
- II. Time Horizons in Macroeconomics: The economy in the short run**
- A. Aggregate Demand and Aggregate Supply: The short run and the long run**  
Mankiw and Scarth, Chapter 9 and Chapter 4, section 4.2.
- B. The Goods Market and the Money Market, Deriving the IS and the LM curves**  
Mankiw and Scarth, Chapter 10.
- C. Monetary and Fiscal Policy in the Short Run: Working with the IS-LM Model**  
Mankiw and Scarth, Chapter 11.
- III. The Open Economy**
- A. The Foreign Exchange Market**  
Mankiw and Scarth, Chapter 5
- B. Extending the IS-LM model to the Open Economy**  
Mankiw and Scarth, Chapter 12.
- IV. Economic Growth and the Solow model**
- Mankiw and Scarth, Chapter 7, Chapter 8, sections 8.1, 8.2

**Please note:**

This course will make use of CuLearn. It is each student's responsibility to check this website for posted material (such as PowerPoint slides, assignment questions and answers.) Students must also verify their e-mail messages frequently.

**Grading:**

Mid-term examination (February 25)	30%
2 assignments (15% each)	30%
Final examination (scheduled by the University)	40%
LaunchPad (see below)	

**Exams:** Students who miss the midterm exam for a valid reason (documented appropriately) will have the associated weight added to that of the final exam. Should the final exam be missed for any reason, a grade of F will be assigned, and the student must arrange for the possibility of a deferred examination through the Registrar's Office within 3 working days of the exam. If granted by the Registrar's Office, this exam will take place during the time designated in the Calendar. Special final exams (or mid-terms) will not be given. The final exam will cover the entire course material, but more weight will be given to topics covered after the mid-term.

**Assignments:** Two assignments will be given to complement the lectures and will be marked for credit. It is strongly recommended that students do them carefully in order to improve their understanding of classroom material. Late assignments will not be graded, but provided the student has a valid reason (documented appropriately), the weight of the assignment will be added to that of the final exam.

**LaunchPad:** Students who enroll for this course will have free access to LaunchPad, an online learning tool provided by the publisher of the textbook. (An explanation of how to log on to LaunchPad will be posted on cuLearn.) LaunchPad offers review quizzes on each chapter which students may take at their leisure. Doing these quizzes is *not part of the requirements* for this course. They are entirely voluntary. However, you are strongly encouraged to utilize the resources on LaunchPad because it provides a convenient way of reviewing the material and pinpointing areas in which you may have difficulties. Further details about this tool will be provided in class.

**Standing in the 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. (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.)

**Tutorial:**

The tutorial period (Tuesdays 2:35 pm - 4:00 pm) may be used for lectures, for tutoring by the TA, problem sessions, review sessions and going over answers to assignments.

**Re-marking:**

Any request for the remarking of exams must be submitted in writing within two weeks 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 mark. Please note that remarking will apply to the entire exam not just the contentious question. As a result, the revised mark may be higher than, lower than or the same as the original mark.

Please also note: "Student or professor 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)."

**Academic Accommodation Requests:**

Student may need special arrangements to meet their academic obligations during the term because of disability, pregnancy, or religious obligations. Please review the course outline promptly and write to the 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.

Students with disabilities requiring academic accommodations in this course must register with the Paul Menton Centre for Students with Disabilities (PMC) for a formal evaluation of disability-related needs. Documented disabilities could include, but are not limited to, mobility/physical impairments, specific Learning Disabilities (LD), psychiatric/psychological disabilities, sensory disabilities, Attention Deficit Hyperactivity Disorder (ADHD), and chronic medical conditions. Registered PMC students are required to contact the PMC (telephone: 613-520-6608) every term to ensure that their instructors receive their Letter of Accommodation no later than two weeks before the first assignment is due or the first in-class test/midterm requiring accommodations. Students requiring accommodations for their formally scheduled exam(s) only in this course must submit their requests for accommodations to the PMC by March 13, 2020 for the winter term. (See <http://calendar.carleton.ca/academicyear/undergrad/>)

See the Equity Services Web site at [www.carleton.ca/equity/accommodation](http://www.carleton.ca/equity/accommodation) to obtain more detailed information on academic accommodation to view the associated policies.

**Plagiarism:**

Please be aware that plagiarism is a 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" at [www.carleton.ca/economics/courses/writing-preliminaries](http://www.carleton.ca/economics/courses/writing-preliminaries).