Course Description

This is the first course in a two-course sequence (along with ECON 2103) in Intermediate Macroeconomics intended to help students develop a systematic way to understand and analyze the behaviour of the aggregate economy. 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.

Prerequisites

ECON 1000 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, Amanda Wright. 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(ferred final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

Required Text


If available, students may also use the fourth edition of the textbook if they choose, subject to two disclaimers. First, 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. Second, students moving on to take ECON 2103 may be required at that time to use the fifth edition exclusively. You should bear both of these in mind if you choose to use the fourth edition.

Course Website

This course will make use of cuLearn. I will post all materials for the course, including lecture slides, assignments and reading exclusions, on the cuLearn course website. Please ensure that you are set up on cuLearn prior to the course start date.
Tuorials

In addition to the lecture component, this course includes scheduled tutorials during which the TA will discuss and review assignment and midterm solutions, discuss separately assigned problems, and possibly present material to reinforce or support lecture material. I will announce the specific requirements during the term through cuLearn.

Evaluation

Each student’s grade will be calculated as follows:

- Written assignments: 24% (three assignments worth 8% of the final grade each).
- Midterm exam: 30%.
- Final exam: 46%.

Assignments

The tentative assignment due dates are as follows. I reserve the right to modify these dates depending on how the semester progresses.

- Assignment 1 due: Wednesday, January 31.
- Assignment 2 due: Wednesday, February 28.
- Assignment 3 due: Monday, April 2.

Each assignment will consist of various analytical questions intended to support and reinforce students’ comprehension of the course material, and to provide an indication of the type of questions that will be on the exams. As such, students are encouraged to treat each assignment as a critical learning opportunity. The assignments may include multiple choice questions, true/false questions, short-answer questions, and mathematical and/or numerical derivations/calculations. While students are permitted to discuss the assignment material with classmates, each student must ensure that their submitted work is their own. Please see the statement on plagiarism below.

Assignments must be submitted on the due date in class. Late assignments will not be accepted, and will receive a mark of zero.
I will post the assignments approximately two weeks in advance, and therefore **only in rare cases where a student can document a compelling reason for a prolonged absence will he or she be excused from handing in an assignment.** In such a rare case, the weight of that assignment will be transferred to the final exam.

While every effort will be made to return graded assignments to students in a timely manner, sometimes delays are unavoidable. It is therefore recommended that students retain some form of copy of their completed assignment when handing them in.

**Midterm Exam**

The midterm exam will take place during regular class time and is tentatively scheduled for Monday, March 5. I reserve the right to modify this date depending on how the semester progresses.

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. Students **must** inform the instructor of such an absence in advance, if possible. There will be no deferred midterm exam.

**Final Exam**

The final exam will take place during the Winter term examination period at a time and place set by the University. The exam will cover content from the entire course.

**Documenting Absences**

As noted above, in order to be excused from an assignment or midterm, students must provide official documentation of their (prolonged, in the case of assignments) absence, such as a doctor’s note or police report. This documentation may be subject to verification, and as such must be accompanied by a “Consent to Release Information to a Third Party” form (available on cuLearn).

**Final Course Grade**

Students must fulfill both the midterm and final exam course requirements in order to achieve a passing grade (D- or higher). Failure to write the midterm examination without a documented compelling reason or the final examination will result in a grade of F. Application to write a deferred final examination must be made at the Registrar’s Office.
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. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm.

**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 Pamphlet on Plagiarism and Paraphrasing.

**Treatment of Course Materials**

Student, teaching, assignment or professor materials created for this course (including but not limited to lecture slides, presentations and posted notes, labs, case studies, assignments, exams and solutions to 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**

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 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. For more details see the Equity Services Student Guide.

**Religious obligation:**

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. For more
details see the Equity Services Student Guide.

Academic Accommodations for Students with Disabilities:

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and 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 me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (if applicable).

You can visit the Equity Services website to view the policies and to obtain more detailed information on academic accommodation at www.carleton.ca/equity/accommodation.

Course Outline and Schedule

The outline below lists the topics that we will cover, and the related readings in the text. Where there are exclusions to the chapter readings, I will note them during the term on cuLearn.

1. Introduction, data, and measurement
   (a) Introduction .............................................................. Chapter 1
   (b) Data and measurement ................................................ Chapter 2

2. The building blocks of the macro-economy
   (a) National income, production, and the factors of production ............... Chapter 3
   (b) Money and inflation ...................................................... Chapter 4

3. Business cycles: the economy in the short-run
   (a) Introduction to business cycles .......................................... Chapter 9
   (b) The IS-LM model of aggregate demand .................................. Chapter 10
   (c) Applying the IS-LM model .............................................. Chapter 11
(d) The IS-LM model in the open economy.................................Chapter 5, 12

4. Economic growth: the economy in the (very) long-run

(a) Solow model of growth....................................................Chapter 7
(b) Technology, empirics, and policy of growth.........................Chapter 8

*Please note that I reserve the right to make modifications to the list of contents as the term proceeds. If I make a modification, I will provide advance warning through cuLearn.*