CARLETON UNIVERSITY
Department of Economics
Intermediate Macroeconomics I
ECON 2102 G
2019 Winter

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: Monday and Wednesday 1:05-14:25
Location: Southam 520
Tutorials: Monday 14:35-15:55 (SA 520)
Office Hours: Monday 11:15 am -12:45 pm; or by appointment (via cuLearn mail service)

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

Prerequisite: A grade of C- or higher in 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.

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:


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.

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:

Final Grade = \text{MAX}\{\text{SCHEME A}, \text{SCHEME B}\}

where SCHEME A and B are defined as follows:

SCHEME A:

• Assignment 1: 7\% (January 30^{th}, tentative)
• Assignment 2: 7\% (February 27^{th}, tentative)
• Assignment 3: 7\% (April 8^{th}, tentative)
• Midterm: 30\% (Monday March 4^{th} during lecture and tutorial)
• Final Exam: 49\% (during the April Exam Period as Scheduled by the University)

SCHEME B:

• Assignment 1: 7\% (January 30^{th}, tentative)
• Assignment 2: 7\% (February 27^{th}, tentative)
• Assignment 3: 7\% (April 8^{th}, tentative)
• Midterm: 20\% (Monday March 4^{th} during lecture and tutorial)
• Final Exam: 59\% (during the April 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 2018-2019 Undergraduate Calendar.

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 Mondays from 2:35 to 3:55 (Southam 520) 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. Table 1 shows the dates in which the teaching assistant and/or the Professor will be holding tutorials. 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.

Figure 1: Tutorials and No-Lecture Dates

<table>
<thead>
<tr>
<th>Tutorials</th>
<th>Date</th>
<th>Instructor</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14-Jan-19</td>
<td>Raul Razo-Garcia</td>
<td>Lecture (I will lecture from 1pm to 4pm)</td>
</tr>
<tr>
<td>2</td>
<td>21-Jan-19</td>
<td>Shafiullah</td>
<td>Review</td>
</tr>
<tr>
<td>3</td>
<td>28-Jan-19</td>
<td>No-tutorial</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4-Feb-19</td>
<td>Raul Razo-Garcia</td>
<td>Lecture (I will lecture from 1pm to 4pm)</td>
</tr>
<tr>
<td>5</td>
<td>11-Feb-19</td>
<td>Shafiullah</td>
<td>Solutions to Assignment 1 and Review</td>
</tr>
<tr>
<td>6</td>
<td>18-Feb-19</td>
<td>Reading Week No-Tutorial</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>25-Feb-19</td>
<td>Shafiullah</td>
<td>Review Midterm and Solutions Assignment 2</td>
</tr>
<tr>
<td>8</td>
<td>4-Mar-19</td>
<td>Raul Razo-Garcia</td>
<td>Midterm will last 2 hours (from 1:10 to 3:10)</td>
</tr>
<tr>
<td>9</td>
<td>11-Mar-19</td>
<td>Shafiullah</td>
<td>Solutions to Midterm</td>
</tr>
<tr>
<td>10</td>
<td>18-Mar-19</td>
<td>No-tutorial</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>25-Mar-19</td>
<td>Raul Razo-Garcia</td>
<td>Lecture (I will lecture from 1pm to 4pm)</td>
</tr>
<tr>
<td>12</td>
<td>1-Apr-19</td>
<td>Shafiullah</td>
<td>Review</td>
</tr>
<tr>
<td>13</td>
<td>8-Apr-19</td>
<td>Shafiullah</td>
<td>Review for the Final</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No Lecture on</th>
<th>Date</th>
<th>Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>16-Jan-19</td>
<td>Wednesday</td>
</tr>
<tr>
<td>2</td>
<td>6-Feb-19</td>
<td>Wednesday</td>
</tr>
<tr>
<td>3</td>
<td>27-Mar-19</td>
<td>Wednesday</td>
</tr>
</tbody>
</table>

**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 2018-2019 Undergraduate Calendar, especially with regard to plagiarism and unauthorized cooperation and collaboration. For further infor-

\[1\] Note that there will be three Wednesdays in which no lecture will take place because there will be a three-hour lecture the Monday on that week. See Table 1
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 March 11th 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 February 27th. Write your midterm examination in pen or you lose the option of having any marking errors corrected. Note that the midterm will last 2 hours, so the examination will take place during the lecture and tutorial time on March 4th.

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. 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.

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 Menton Centre for Students with Disabilities (PMC) at 613 − 520 − 6608 or 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 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)

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](carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf)