Course Description and Scope:

This course uses the main theoretical tools of micro and macro economics to explain the economic issues behind European integration. However, due to the nature of subject matters under study, it goes beyond economics and covers the essential aspects of European history, institutions, laws, and politics as well as related economic issues. The exposition of the course material will be graphical; however students are expected to know basic mathematical concepts. Assignments will be assigned to complement the lectures. Most questions on the examinations will be similar to those answered in the assignments and end of chapter questions. Students are encouraged to do the assignments and discuss any difficulties they may have with the Teaching Assistant (TA).

Given recent European debt crisis and the fact that EU has been in the news regarding its economics and financial problems plus most recent referendum in the UK, attempts would be made to relate the theoretical issues discussed in class to the ongoing events in EU, particularly those related to the Monetary issues, Fiscal matters and immigration.

Prerequisites:

The prerequisite for this course is ECON 1000 or FYSM 1003 as outlined in the 2017-2018 Undergraduate Calendar. If you do not have the specific prerequisite and you believe that you have an equivalent background or a similar course from other university you must contact the Department of Economics.

Required Textbook:

Main Reference:


Useful Websites:

http://europa.eu/index_en.htm
http://europa.eu/
http://publications.europa.eu/
http://eur-lex.europa.eu/JOIndex.do

Additional Reference:

If necessary, additional and up-to-date references will be provided at the beginning of each lecture to supplement the textbook, main reference, websites and lectures.

Evaluation/Grading:

In addition to the final exam, there will be one midterm test and two assignments. You are expected to do both assignments otherwise you will receive a grade of zero for the assignment missed and the grade for your single assignment will be divided by two to be included in your final mark. There is a firm due date for each assignment. For every 24 hours passed the due date you will lose 5% of the mark on the late assignment. Please note that you must submit a hard copy of your assignment to the instructor in person. No electronic submission is allowed in this course.

There will be no deferred mid-term exam for this course. Students who may not write the midterm test for legitimate reasons may have the weight of the midterm test transferred to the final, at the discretion of the instructor. Those who take the mid-term test and are not satisfied with their performance may decrease the weight of the mid-term and, instead, increase the weight of their final, after consulting with the instructor and before the final exam is administered. Those students who decide to increase the weight of their final exam must send an email to the instructor (see above for email address) by no later than one week before the final exam date. You MUST write the mid-term test in order to be able to take advantage of this option. Otherwise, you will receive a grade of zero for the mid-term with no possibility of changing the percentage of the final grade. It is clear that once you inform me of your decision regarding the percentage of your final, a formal and binding contract is in effect and there is no going back!
The course grade will consist of:

- Midterm Exam (35%) (in class)  
  Tuesday, November 7th, 2017 @ 11:35 AM
- Final Exam (50%)  
  As scheduled by the University
- Assignment (15%)  
  Assigned during the term.

Course Outline and Reading List:

Part One: History and Institutions

I. Introduction

A. History  
   1. (Text, Chapter 1)  
   2. (Main Reference, Chapter 2)

B. Institutions and Budget  
   1. (Text, Chapter 2)  
   2. (Main Reference, Chs 3&19)

C. Decision Making  
   1. (Text, Chapter 3)  
   2. (Main Reference, Ch 4)

Part Two: Micro and Macro Economic Theory

II. Microeconomics of Integration

A. The Tools  
   1. (Text, Chapter 4)  
   2. (Main Reference, Ch 6)

B. The Essentials  
   1. (Text, Chapter 5)  
   2. (Main Reference, Ch 7)

C. Market size and Scale Effects  
   1. (Text, Chapter 6)  
   2. (Main Reference, Ch 9)

D. Growth  
   1. (Text, Chapter 7)

E. Labour Market  
   1. (Text, Chapter 8)  
   2. (Main Reference, Ch 8)
III. Macroeconomic Theory of Integration

A. Theory
   1. (Text, Chapter 13)

B. Monetary Union
   1. (Text, Chapters 14 & 15)

Part Three: Economic Policies

IV. Policies

A. Agriculture
   1. (Text, Chapter 9)
   2. (Main Reference, Ch 20)

B. Location
   1. (Text, Chapter 10)

C. Competition and Aid
   1. (Text, Chapter 11)
   2. (Main Reference, Ch 13)

D. Trade
   1. (Text, Chapter 12)

V. Monetary and Fiscal Policies**

E. Monetary Union
   1. (Text, Chapter 16)
   2. (Main Reference, Ch 11)

F. Fiscal Policy and Stability
   1. (Text, Chapter 17)
   2. (Main Reference, Ch 12)

G. Financial Markets and the Euro
   1. (Text, Chapter 18)

H. Eurozone in Crisis
   1. (Text, Chapter 19)

** Please note that we may not be able to cover all of this section’s material due to time constrain.
Notes:

1. There will be no deferred mid-term exam. If you miss it and provide a valid medical certificate, the assigned weight will be added to the final exam. Otherwise you will receive a zero mark. Mid-term exam will cover everything from the first class of the term up to, and including, the class prior to the exam. Final exam includes all the material covered from the start to the end of lectures.

2. Students must fulfill all course requirements in order to achieve a passing grade. In order to write a deferred final exam, students must contact the Registrar’s Office located in Tory Building.

3. Please be aware that plagiarism is a serious offense and it should be avoided. For further information regarding this subject, please see the Economics Departmental Web site.

Requests for Academic Accommodations

<table>
<thead>
<tr>
<th>For Religious Obligation</th>
<th>To be worked out on individual basis with instructor. Consult Equity Services Website or an Equity Advisor (ext. 5622) for Policy and list of Holy Days (<a href="http://www.carleton.ca/equity">www.carleton.ca/equity</a>)</th>
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</thead>
<tbody>
<tr>
<td>For Pregnancy</td>
<td>Contact Equity Services (ext. 5622) to obtain letters of accommodations</td>
</tr>
</tbody>
</table>

For Students with Disabilities:

“Students with disabilities needing academic accommodations are required to contact a co-ordinator at the Paul Menton Centre to complete the necessary letters of accommodation. The student must then make an appointment to discuss their needs with the instructor at least two weeks prior to the first class test or ITV test. This is to ensure sufficient time is available to make the necessary accommodation arrangements. Please note the following deadline for submitting completed forms to the PMC for formally scheduled exam accommodations: **November 10, 2017 for fall term.**”