



## Department of Economics and Finance

### **ECON\*1100.01.02.03 Introductory Macroeconomics Winter 2014**



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It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of class assignments, what to do when you cannot meet a course requirement, and the drop date for the semester. To better understand these policies, visit:

[https://dev.web.uoguelph.ca/economics\\_d7/important-notice-about-students-responsibilities-and-university-policies](https://dev.web.uoguelph.ca/economics_d7/important-notice-about-students-responsibilities-and-university-policies)

### **Course Outline**

Macroeconomics is the study of the operation of the economy as a whole. Of course, the economy is not an entity with a mind of its own, producing inflation, unemployment, recession, depression or growth at will. Macroeconomic phenomena, though seemingly beyond the control of any one of us, are consequences, often unintended and unexpected, of the actions of individual human beings. The logical links between the interactions of individuals, each behaving in their own self-interest, and the resultant evolution of the macro-economy are the focus of this course. We study the attempts of economists to understand these subtle links and to make use of them in order to produce preferred Macroeconomic outcomes.

This course has two important objectives. The first of these is to introduce the student to the basic principles and problems of Macroeconomics. The second is the far more ambitious goal of helping the student to learn to apply the principles when thinking about the problems.

Office Hours: Evie Adomait See CourseLink  
Patrick Martin See CourseLink

Required/Recommended Materials which can be purchased either individually or in a package:

1. Required Textbook: Macroeconomics with MyEconLab 14th Canadian Ed by Christopher Ragan
2. Required MyEconLab (MEL): A web-based study tool that gives the student the opportunity to practice algebraic problems (roughly a dozen per chapter) and receive detailed feedback. Each time the student attempts a problem the numbers are reset so the student receives a different problem. If a student does not obtain a copy of MEL(either bundled with a new text or separately) the 10% weight will assigned to the average of the term without MEL.
3. Required Supplementary Book: Dinner Party Economics by Eveline Adomait and Richard Maranta (DPE)

**Grading:**

Two PEAR writing Assignments (based on Dinner Party Economics)	10%
MEL Assignments (12 in total – grades based on best 10)	10%
Midterm (Friday night, February 28th from 7 to 9 pm)	35%
Final Exam: April 16 <sup>th</sup> , 8:30am	45%

**If the midterm exam is missed** because of health or compassionate reasons, and you are able to provide documentation if requested (i.e. a doctor's note, coaches email etc), a makeup exam will be offered on Tuesday March 4<sup>th</sup> between 5:30 and 6:55pm. The format is short answer questions.

You will have **unlimited attempts** to do the MyEconLabs and the 10 best grades count.

The **final exam** covers the entire course (although the material after the midterm will receive greater coverage).

**Peer Evaluated Writing Assignments-** Instructions can be found on Courselink. Please note that you must submit to both PEAR and the Dropbox in Courselink (an electronic plagiarism checker) by 11:59 am on the due dates. (The PEAR site is the most critical to get right.) You will be required to complete 2 online writing assignments worth 5% each. These assignments include two individually authored essays (approximately 600-750 words each) and a peer assessment of up to 5 other assignments (approximately 75 to 125 words for each peer assessment) justifying your grade on a peer's work. **If you do not complete the assessment of others, you cannot receive a grade for your assignment.**

Assignment 1: Write a book review of Dinner Party Economics evaluating its usefulness as a supplement to a macro textbook. Use at least 3 specific examples from DPE to support your conclusions.

Assignment 2: Justify your political leanings as they relate to Canadian macroeconomic policy in a blog format. Only use topics covered in DPE as part of your argument. For example, you may have opinions on the government's environmental policy but that topic is not covered in DPE. (Externalities are a microeconomic topic.)

**Schedule of Coursework with due dates – Winter 2014**

<b>Week</b>	<b>Chapter</b>	<b>MEL Schedule</b>	<b>PEAR assignments</b>	<b>Tests</b>
January 6	35.2-35.3, 19.1			
January 13	19.2 & 20	Lab 1 (Tuesday) & Lab 2 (Friday)		
January 20	21 & 22.1-3	Lab 3 (Friday)		
January 27	22.4-5 & 23	Lab 4 (Friday)	January 30, Book review due	
February 3	24	Lab 5 (Friday)		
February 10	25 & 26.1-3		February 13, 1 <sup>st</sup> assessments due	
February 17 Reading Week		Lab 6 (Friday - February 21)		
Feb 24	26.4 & 27.1-3	Lab 7 (Friday)		February 28 <sup>th</sup> Midterm – up to Chapter 26
March 3	27.4 & 28	Lab 8 (Friday)		(March 7 <sup>th</sup> is the last day to drop a course.
March 10	29	Lab 9 (Friday)	Mar. 11 Econ blog due	
March 17	30	Lab 10 (Friday)		
March 24	31	Lab 11(Friday)	Mar 25 2 <sup>nd</sup> assessments due	
March 31	32	Lab 12 (Sunday – April 6)		FINAL April 16 <sup>th</sup> , 8:30am

1. Course Help: If you have technical difficulty with the MEL labs you should contact Pearson directly. See link in Courselink. If you have difficulties MEL material, please contact the TA through Courselink.
2. If you have questions about PEAR, contact Prof Evie Adomait.
3. If you have difficulties with the class material you can post a question on the

Discussion Board in Courselink which will be monitored by the TA or see your professor during office hours.

Course Evaluation: You will be asked to complete an evaluation of this course at some time during the last two weeks of the semester. **The course evaluation for this course will be completed in class.** The Department of Economics policy regarding the conduct and use of these evaluations will be found at:

<http://www.uoguelph.ca/economics/course-evaluation>

**The Department of Economics and Finance *Learning Objectives (skills and knowledge competencies)* for this course:**

**Skills:**

- 1) **Written Communication**: There are 2 PEAR writing assignments which will be graded on the quality of writing. The essays will ask students to **justify** their views about the political-economy in Canada as well as do a book review.
- 2) **Numerical Problem Solving**: Students will learn to **measure** economic activity including Inflation, GDP, Unemployment, Savings and Balance of Payments. You will **solve** the Keynesian Cross model and **interpret** expansionary and inflationary gaps, **find and interpret** money multipliers and **value** bonds. This will be assessed with MyEconLab quizzes and with multiple choice questions on the midterm and final.
- 3) **Analytical Problem Solving**: Much of the course uses graphical **analysis to demonstrate and interpret** various economic models. They include exchange rate determination, interest rate determination, the Keynesian Cross model, the AD/AS model which is also modified for inflation. This will be tested on the MEL quizzes and two exams
- 4) **Problem solving in a Real World Context**: Students will **apply** the content of the course when they write an opinion piece in PEAR. The short answer questions will be applicable to current macro problems.

**Knowledge:**

- 1) **Macroeconomic Modeling:** As an introductory course, ECON\*1100 introduces the student to the macroeconomic lexicon. The student is expected to **remember and recognize** such concepts as GDP, price indices, growth, the exchange rate, interest rates, money multipliers, Keynesian multipliers, balance of payments, budget balances, trade balances and productivity measures. This course **explains** how the economy can experience recessionary and inflationary gaps using various models. They include the Keynesian Cross model, the aggregate supply and demand model in both the short and long run. All of the assessment tools in this course will test these ideas.
- 2) **Understanding of Specific Markets:** Several financial markets are **analyzed** in this macroeconomics course. They include the foreign exchange market, the money market, and bond markets.
- 3) **Historical context:** The midterm and final will ask multiple choice questions which require students to **research** the values of current Canadian macroeconomic indicators. One essay in PEAR will ask students to **justify** their opinion on the role of government using historical evidence.
- 4) **Economic Policy and Regulation:** The role of government is significant in the macro economy. Students must **understand** and **demonstrate** Monetary, Fiscal, Structural and exchange rate policy.