



Department of Economics and Finance

ECON*2410.01
Intermediate Macroeconomics
Winter 2014



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Office Hours: M, W, 4:00PM-5:30PM or by appointment
Lectures: T, Th, 1:00PM-2:20PM, ROZH 102
Labs: 1, F, 9:30AM-10:20AM, MACK 234
2, M, 3:30PM-4:20PM, MACN 118
3, W, 2:30PM-3:20PM, MACN 118

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 this semester. To better understand these policies, visit:

https://dev.web.uoguelph.ca/economics_d7/important-notice-about-students-responsibilities-and-university-policies

COURSE OUTLINE

Objective: The goal of this course is to provide you with all the fundamental concepts and basic theoretical models to analyze and predict the behavior of an economy in the short, medium and long run.

Prerequisites: Econ*1050, Econ*1100

Grades:

Course grades will be determined according to the following weighting scheme:

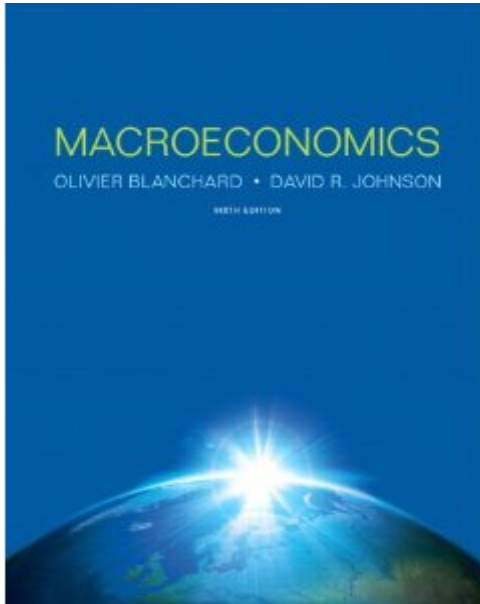
4 MyEconLab Online Homework Assignments (TBA)	15%
2 Midterm Examinations (Feb 8 th , March 22 th , 9:00AM-11:00AM, ROZH 101/102)	35%
1 Final Examination (April 16 th , 2:30PM - 4:30PM, TBA)	50%

Notes:

- A student should inform the instructor within the first two weeks of the semester about his or her intention of not purchasing the MyEconLab access code. If a student does not access MyEconLab, then the weighting scheme becomes: 45% Midterms, 55% Final.

- There is no make-up exam. If a student misses 1 or 2 midterms (with appropriate documentation) the weight of the missing exam(s) will be shifted to the final.

Required Textbook:



Macroeconomics Plus NEW MyEconLab with Pearson eText -- Access Card Package, 6/E

Authors: Olivier Blanchard and David R. Johnson

Hardcover: 624 pages

Publisher: Prentice Hall; 6th US edition (July 29th, 2012)

Language: English

ISBN-10: 0133061639

ISBN-13: 978-0133061635

Online Textbook Materials:

<http://catalogue.pearsoned.ca/educator/product/Macroeconomics-Plus-NEW-MyEconLab-with-Pearson-eText-Access-Card-Package/9780133103069.page>

Online Course Materials:

Additional resources will be available at:

<http://courselink.uoguelph.ca/>

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 will be held 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>

COURSE CONTENT

PART 1 Introduction

- Chapter 1 The Current State of the World**
(Blanchard, Johnson, 6th US Edition, Chapters 1 & 2)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 1)
- Chapter 2 Measurement**
(Blanchard, Johnson, 6th US Edition, Chapter 2)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 2)

PART 2 The Short Run

- Chapter 3 The Goods Market**
(Blanchard, Johnson, 6th US Edition, Chapter 3)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 3)
- Chapter 4 Financial Markets**
(Blanchard, Johnson, 6th US Edition, Chapter 4)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 4)
- Chapter 5 The *IS-LM* Model**
(Blanchard, Johnson, 6th US Edition, Chapter 5)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 5)
- Chapter 6 Openness in Goods and Financial Markets**
(Blanchard, Johnson, 6th US Edition, Chapter 18)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 6)
- Chapter 7 The Goods Market in an Open Economy**
(Blanchard, Johnson, 6th US Edition, Chapter 19)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 7)
- Chapter 8 Output, the Interest Rate, and the Exchange Rate**
(Blanchard, Johnson, 6th US Edition, Chapter 20)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 8)

PART 3 The Medium Run

- Chapter 9 The Labour Market**
(Blanchard, Johnson, 6th US Edition, Chapter 6)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 9)
- Chapter 10 The *AS-AD* Model**
(Blanchard, Johnson, 6th US Edition, Chapter 7)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 10)

- Chapter 11 The Phillips Curve**
(Blanchard, Johnson, 6th US Edition, Chapter 8)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 11)
- Chapter 12 The Crisis**
(Blanchard, Johnson, 6th US Edition, Chapter 9)
- Chapter 13 Exchange Rate Regimes**
(Blanchard, Johnson, 6th US Edition, Chapter 21)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 13)

PART 4 The Long Run

- Chapter 14 The Facts of Growth**
(Blanchard, Johnson, 6th US Edition, Chapter 10)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 14)
- Chapter 15 Saving, Capital Accumulation, and Output**
(Blanchard, Johnson, 6th US Edition, Chapter 11)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 15)
- Chapter 16 Technological Progress and Growth**
(Blanchard, Johnson, 6th US Edition, Chapter 12)
(Blanchard, Johnson, 4th Canadian Edition, Chapter 16)

In keeping with the University's Learning Outcomes, the Department of Economics and Finance Learning Outcomes (skills and knowledge competencies) for this course are:

Skills:

- 1) **Written Communication:** Each midterm will have short answer essay questions which will be graded with the usual essay writing criteria except for the requirement of a bibliography.
- 2) **Numerical Problem Solving:** Students will have to **calculate** various macroeconomic indicators, multipliers, **solve** various economic models namely the IS-LM model, the Mundell-Fleming model, the AS-AD model, the Solow-Swan model. Students will also have to make **quantitative predictions**. These numerical skills will be assessed with quantitative problems in the MyEconLab homework assignments, and the midterms.
- 3) **Analytical Problem Solving:** Most of the course relies on graphical **analysis** to **demonstrate** and **interpret** the various economic models. This will be tested on the MyEconLab homework assignments, the midterms and final.
- 4) **Problem solving in a Real World Context:** Students will have to **apply** the course materials to historical and current macroeconomic problems.
- 5) **Professional and ethical awareness and conduct:** There will be no time extension to complete the MyEconLab homework assignments in order to master **time management** skills.

Knowledge:

- 1) **Mathematical Methodology:** Students are expected to **solve** systems of linear equations.
- 2) **Statistical and Econometric Methodology:** Students have to be **familiar** with basic data analysis, regression analysis, robustness, scatter plot)
- 3) **Microeconomic modelling:** Students are expected to **apply** the supply and demand framework to various markets.
- 4) **Macroeconomic Modeling:** As an intermediate course, ECON*2410 introduces students to macroeconomic modelling. Students are expected to **remember** and **recognize** various concepts and models.
- 5) **Understanding of Specific Markets:** Several markets are **analyzed** such as goods market, the money market, the bond market, the foreign exchange market, the labor market. Students are expected to **understand** and **remember** their specificities and commonalities
- 6) **Historical and Global context:** Students will be required to **research** the values of current macroeconomic indicators and variables. Short essay questions will ask students to **construct** an argument about a macroeconomic issue from an historical perspective and to **formulate** a solution for a current macroeconomic problem.
- 7) **Economic Policy and Regulation:** Governments have significant macroeconomic influences. Students must **understand** and **explains** the effects of monetary, fiscal, and exchange rate policy.