



Department of Economics and Finance

**ECON\*1100**  
**Introductory Macroeconomics**  
**Fall 2013**



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**ECON\*1100.01      Introductory Macroeconomics (Fall 2013)**  
**Instructor:            Stephen Kosempel**  
**Office:                 MacKinnon 725**  
**Tel. Ext.:              56339**  
**Office Hours:         Wednesday & Thursday 1-2pm**

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:

<http://www.uoguelph.ca/economics/node/1115>

**Course Outline**

Description: This course covers various topics in the field of macroeconomic theory and policy, such as: unemployment, inflation, the effects of government debt, the business cycle and stabilization policy. The course will provide a detailed analysis of the current business cycle, and we will be asking and answering questions, such as: What is the impulse for the business cycle? Can macroeconomic policy combat both inflation and unemployment? Is government debt a burden? By the end of the course, students should have an understanding of how economists use models to analyze the economy at the aggregate level.

Lectures: Monday, Wednesday, Friday 10:30 - 11:20am; RozH 103

Course Material:

- Textbook: Principles of Macroeconomics (4rd Canadian Edition) by R.H. Frank, B.S. Bernanke, L. Osberg, M.L. Cross, and B.K. MacLean, McGraw-Hill Ryerson Ltd., 2012. Several copies of the textbook will be placed on 2 hour reserve at the McLaughlin library. We will cover approximately 1 chapter per week, starting with chapter 4.
- LYRYX: Web-based homework assessment tool. LYRYX will be bundled with most copies of a new textbook and it may be purchased separately at (<http://lyryx.com/products-can-macroeconomics.html>).

Course Website: The course has a website at [www.uoguelph.ca/~kosempel/1100.pdf](http://www.uoguelph.ca/~kosempel/1100.pdf).

Grading: One of two weighting schemes will be applied depending on which gives the student the best grade.

Component	Weighting Scheme	
	A	B
Weekly Assignments	15%	0%
Midterm (Sat. Oct. 26 <sup>th</sup> , 3:30-5:30 pm, RozH 101)	35%	0%
Final Exam (Tues. Dec. 3 <sup>rd</sup> , 7-9pm, location TBA)	50%	100%

If the midterm exam is missed (regardless of the reason) the weight will be transferred to the final. The midterm exam will not be rescheduled. The weighting scheme will not be changed during the semester. The final exam covers the entire course.

Assignments: All assignments are performed and graded on-line using Lyryx. There will be approximately 10 assignments during the semester (roughly one per chapter). Your lowest grade will be dropped. Assignments must be completed by 11:45pm on the due date - no exceptions. The grade for a late assignment is zero. Before the deadline you may attempt the assignment as often as you like during the period in which the assignment is open. You get instantaneous feedback after completing and submitting the assignment so that you can decide whether to take it again (the best mark that you receive is the one that is used to determine your grade. Questions on the assignments may be multiple choice, graphing, calculations, fill in the banks or true-false. I expect you to complete on-line assignments individually. Note that the Lyryx software changes the problem each time you attempt the assignment so that you and your fellow students will never receive the same assignment. If you choose to rewrite the assignment, each time you do so the assignment will use the same problem set but with different numbers. If a student does not obtain a copy of the LYRYX access code (either bundled with a new text or separately), the 15% weight will be distributed evenly between the midterm and final exams.

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/academics/courses/course-evaluation>

**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) **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 LYRYX problems, the midterm and final.
- 2) **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 with LYRYX problems, the midterm and final.
- 4) **Problem solving in a Real World Context:** Students will **apply** the content of the course to historical and current events when they solve problems on the assignments and exams.
- 5) **Professional and ethical awareness and conduct.** There will be no extensions on LYRYX labs in order to assess **time management** skills.

**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 and Global context:** The midterm and final will ask multiple choice questions which require students to **research** the values of current Canadian macroeconomic indicators and variables.
- 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.