

**ECON 3020**  
**MACROECONOMIC THEORY 2**

2018-2019 Regular Session  
Winter Term

CRN# 53005

Section: A01

Slot 6: Monday, Wednesday and Friday 11:30am-12:20pm

Location: Room 303 Tier

Instructor: Fletcher Baragar

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Office Hours: Wednesday 10:15am - 11:15am

Friday 12:30pm – 1:30pm

or by appointment

**COURSE DESCRIPTION:** Theories of national income, employment, inflation, balance of payments, stabilization policy, and economic growth within the framework of macroeconomic models of an open economy with particular attention to empirical evidence from Canada, the U.S., and other countries. This course requires the use of calculus. (University of Manitoba, *Academic Calendar 2018-19*)

**REQUIRED TEXT:** Scarth, William, *Macroeconomics: The Development of Modern Methods for Policy Analysis*. Cheltenham, UK and Northampton, MA: Edward Elgar, 2014.

**COURSE REQUIREMENTS AND EVALUATION**

Test #1	Monday, January 28, 2019	18%
Test #2	Wednesday, February 27, 2019	18%
Test #3	Monday, March 25, 2019	18%
Final Exam	April 2019	46%

The term tests will be held in class and will be of 50 minutes in duration.

Note that students will not be permitted to write make-up tests, except for documented medical and compassionate reasons.

Term work tests will be returned to students after the work has been graded and the grades recorded. Term work that is unclaimed will be held by the instructor for four months following the end of the term (Note: The final day of the University's Final Examination period is considered the last day of the term). After that date, unclaimed term work will become the property of the Faculty of Arts and will be subject to confidential destruction.

Students appealing any term work, whether it be an informal or formal appeal, must make the appeal within 10 working days of receiving their mark.

The final examination will be held during the university's examination period, which extends from **April 11 to April 26, 2019**. This examination will be scheduled by Student Records. The exam will be of 2 hours duration.

Note that the final date for voluntary withdrawal for 2nd term half courses is **Wednesday March 20, 2019**. Evaluative feedback (return of Tests #1 and #2) will be provided before this voluntary withdrawal date.

Students should acquaint themselves with the university's definitions and policies on academic integrity. Students should review the section on "Academic Integrity." under the General Academic Regulations in the *UManitoba Calendar 2018-19 Undergraduate Students*, and also the University of Manitoba Student Affairs Guide to Academic Integrity at [umanitoba.ca/student/guide/academic-integrity.html](http://umanitoba.ca/student/guide/academic-integrity.html). Ignorance of the regulations and policies regarding academic integrity is not a valid excuse for violating them. The Faculty of Arts also reserves the right to submit student work that is suspected of being plagiarized to Internet sites designed to detect plagiarism.

Numerical grades will be converted into letter grades according to the following scale:

A+ 91 and above	C+ 63-69.5
A 84-90.5	C 56-62.5
B+ 77-83.5	D 50-55.5
B 70-76.5	F Below 50

Please note that all grades are subjected to departmental review and approval.

## **SUPPLEMENTARY READINGS AND RESOURCES**

In addition to the text, there are a number of websites and resources that provide additional information and analysis pertaining to macroeconomics and the macroeconomy. In particular, students should acquaint themselves with the following websites:

- Bank of Canada. Homepage: <https://www.bankofcanada.ca>. See in particular the Bank's *Monetary Policy Report*.

- Government of Canada, Department of Finance. Homepage: <https://www.canada.ca/en/department-finance.html>. See in particular *Budget 2018*, the *Fall 2018 Economic Statement* and, if it is released before the end of term, *Budget 2019*.
- Statistics Canada, *The Daily*, at: <https://www150.statcan.gc.ca/n1/dai-quo/index-eng.htm?HPA=1>.
- U.S. Department of Commerce, Bureau of Economic Analysis, at: <https://www.bea.gov/>.

## **COURSE OUTLINE**

The course will follow, in order, the first seven chapters of the Scarth textbook. The emphasis of this material is macroeconomic theory. Attention will be given to different approaches and theoretical debates and controversies, but the focus will be on developments and debates in mainstream macroeconomics, broadly defined. Much of those debates and controversies will be concerned with how those theories and associated models relate to actual, and especially to contemporary, macroeconomies.

**Friday Forums:** Every Friday the first 15 to 20 minutes of class will be given over to an open discussion of recent macroeconomic developments and policies. Students are expected to be aware of macroeconomic developments and policies that have emerged over the course of the preceding seven days, and to explore and reflect on the relationship of these developments to the core theoretical material covered in class and in the textbook.

### **I. Keynes and the Classics**

- Scarth, Ch.1.

### **II. The First Neoclassical Synthesis**

- Scarth, Ch.2.

### **III. Model-consistent Expectations**

- Scarth, Ch.3.

### **IV. The Microfoundations of Modern Macroeconomics**

- Scarth, Ch.4.

### **V. The Challenge of the New Classical Macroeconomics**

- Scarth. Ch. 5.

## **VI. The New Neoclassical Synthesis**

- Scarth, Ch.6.

## **VII. Stabilization Policy Controversies**

- Scarth. Ch.7.

**Note: Structural Unemployment** (Scarth, Ch.8) will be included if time permits.