

# MACROECONOMIC ANALYSIS I (ECON 2020, A01)

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(Include **ECON2020** in Subject line)

Winter 2019  
Office hours: Wednesdays: 12:30 - 1:30  
Or by appointment  
TA:  
Office:  
Office hours:

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**Course description and objectives:** The course provides a study of the macroeconomic models of the determination of economic aggregates such as national income, consumption, investment, government spending, exports, imports, and economy-wide variables such as the interest rate, the foreign exchange rate, the price level and inflation, and the unemployment rate. The influence of fiscal and monetary policies on the aggregate economy is also examined.

Prerequisite: A grade of "C" or better in ECON 1020 or ECON 1021 or the former ECON 1200 (018.120) or the former ECON 1201] or [a grade of "C" or better in both ECON 1210 (or ECON 1211 (018.121)) and ECON 1220 (or ECON 1221 (018.122))].

At the end of the course you should be able to:

- Understand the methods and approaches to macroeconomics.
- Understand the factors which determine aggregate output as well as income and expenditure in the short and medium run.
- Use the IS-LM model to study the impact of monetary and fiscal policies on the economy in the short run.
- Understand aggregate demand under both flexible and floating exchange rates.
- Understand the role of expectations in the macro economy.
- Use the IS-LM-PC model to explain short- and medium-run fluctuations.

## Textbook & learning materials

- Olivier Blanchard, Macroeconomics Plus MyLab Economics with Pearson eText -- Access Card Package, 7<sup>th</sup> US edition, Pearson, 2017.
- Online Textbook Materials: <http://catalogue.pearsoned.ca/educator/product/Macroeconomics-Plus-MyLab-Economics-with-Pearson-eText-Access-Card-Package-7E/9780134472546>
- or
- <http://www.mypearsonstore.ca/bookstore/macroeconomics-9780133780581?xid=PSED>
- Includes access to Pearson's online learning system, MyEconLab, where you can find an e-book and study/review questions.
- If you prefer, you can buy just the e-book, which includes access to MyEconLab.
- MyEconLab is an online assessment and tutorial system that will be used for your assignments. MyEconLab also gives you easy access to practice problems and provides you with an automatically generated quizzes.
- Old editions of the textbook: The current seventh edition of the textbook has a number of assigned chapters that are very different from earlier editions.

**Required Background:** To enjoy this class you must be able and willing to deal with a few mathematical tools, in particular algebra and a little bit of calculus. I strongly urge you to read an authoritative source of economic news and analysis, or a serious newspaper from a country of your choice, as we will frequently discuss the current state of the world economy and current policy debates in class.

**Evaluation and Course Requirements:** The course assessment is based on two options, A and B. Under Option A, you will complete six on-line homework assignments in addition to two in-class term tests and final examination. Under Option B, your grade is determined solely by two in-class term tests and final examination. **You do not have to inform me of the option that you choose. I will calculate both options and choose the one that gives you the highest grade.**

<u>Course Requirement</u>	<u>Weight</u>	<u>Date</u>
1. MyEconLab Online Assignments (6)	9%	Every two weeks, approx.
2. Term-test I	27%	February 8
3. Term test II	32%	March 13
4. Final Examination	32%	April examination period

### Notes about evaluation

- **Lab Assignments:** The six online lab assignments will be submitted on the MyEconLab website. You must register for MyEconLab and enroll with MyEconLab in this course. To do this you will need to purchase the access code. Please see page 4 for how to access MyEconLab.
- The **instructor course ID** for MyEconLab is: **sepehri70076**.
- Each lab assignment will be issued one week prior to its due date. Please make sure that each lab assignment is submitted by 11:00 pm on its due date.
- **Missed lab assignments:** If a student does not submit an assignment for a documented or compassionate reason the weight will be redistributed across the remaining assignments. If you fail to provide such documentation, you get a score of zero for the assignment.
- **Term tests:** The term tests will be a mixture of multiple choice questions and short-answer graphical and numerical problems.
- **Missed term tests:** There is no make-up test. If a student misses a term test for a legitimate reason, the weight of the missing test(s) will be shifted to the final. If you fail to provide such documentation, you get a score of zero for the test.
- **The final examination:** A 2-hour exam will be held during the December examination period and includes a mixture of multiple choice questions and short-answer graphical and numerical problems.
- The term tests and final exam **are not cumulative**.
- Evaluation feedback will be provided by the voluntary withdrawal date, **Wednesday March 20**.
- Students appealing term work must do so within **10 working days** of receiving their mark.
- All final grades are subject to departmental review.

### Study Tips

- The general rule is that you need to know the lectures and the text sections that accompany the lectures. Lectures and the text are compliments **not substitutes** for each other. I will use the class time to: (i) highlight key points of the topic and to cover selected points in detail, (ii) cover some specific topics not fully covered in the textbook, (iii) discuss current and recent events and (iv) review some past homework problems.
- Do not only read the text. This is a necessary but not sufficient condition for success in economics. It is much better to practice doing economics. This means that you must practice the problems and run through the mechanics of the models.
- I expect you to work through the set of exercises at the end of each chapter. These exercises in the book are perfect for exercising your mind and preparing for term tests and final examination.
- It is important to make use of my office hours as well as the course teaching assistant. If you find yourself falling behind or have difficulty to follow lecture materials, drop by my office early rather than waiting

until exam time. I am always interested in hearing any comments or suggestions you may have regarding the course materials.

## Attendance

- The decision to attend, or not attend lectures, is entirely up to the student. However, continuous class attendance is strongly encouraged. The textbook is very useful, but the main source of information in the class will be in the lectures. Any points raised in class can end up in the examinations. If students choose to miss a lecture, for whatever reason, it is up to the student to independently learn the material from the lecture. If students are having any difficulty with the material, I am, of course, happy to help them.
- To create a classroom setting that is conducive to learning, I expect students to conduct themselves respectfully. If you engage in actions that are disruptive to me and my train of thought or to the class or some sub-section of it, I may ask you to leave the classroom for the duration of the class session.
- If you are late, please enter quietly and take the nearest seat available.
- If you need to leave early, you should inform me of that before class begins and sit near an exit. Otherwise, do not begin packing up and leaving before class is over.

**Email Policy:** Due to the large number of students in this class, I will only respond immediately to emails which request an appointment with me. Other emails will be responded to during my office hours.

## The Grading Scale:

The final grade for the course will be based on the following distribution:

91 - 100	A <sup>+</sup>	60 - 65	C <sup>+</sup>
82 - 90	A	55 - 59	C
74 - 81	B <sup>+</sup>	50 - 54	D
66 - 73	B	0 - 49	F

## Tentative Outline

### Part I. Fundamentals of Macroeconomics: A Review

1. The issues of macroeconomics: A tour of the world  
ch. 1
2. Measuring economic performance: output, income, inflation and unemployment  
ch. 2, 7 (pp. 138-143)

### Part II. A Short-term Theoretical Framework for Macroeconomic Analysis: Keynesian Model

1. A theory of output (employment) determination with some policy applications  
ch. 3
2. Keynesian theory of interest rate determination

ch. 4

3. Keynesian theory of income and interest rate determination in a closed economy: The IS-LM model

ch. 5

4. Keynesian theory of income and interest rate determination in an open economy

chs. 17-19

5. Expectations: The IS-LM model revisited

chs. 14-16

### **Part III. A Medium Term Model of Output, Employment and Price Determination**

1. Classical/new classical theory of output, employment and price determination

Jansen, D., Delorme, C., and Ekelund, R. *Intermediate Macroeconomics*, ch. 3.

2. New Keynesian theory of output, employment and price determination

chs. 7 (pp. 143-156), 8, 9

#### **Device policy**

- To create a classroom setting that is conducive to learning, I expect students to conduct themselves respectfully.
- Students are responsible for making sure that their cell phones and other communication devices are turned off during class. Students should not participate in personal direct electronic messaging / posting activities (e-mail, texting, video or voice chat, wikis, blogs, social networking (e.g. Facebook) online and offline “gaming” during scheduled class time. If a student is on call (emergency) the student should switch his/her cell phone to vibrate mode and leave the classroom before using it. Students who violate this policy may be asked to leave class and meet with the instructor at a mutually agreed time before returning to class.

#### **Policy on unreturned term work:**

It will be kept in a secure and confidential department area for a minimum of four months following the end of the course and until destroyed by confidential measures. The final day of the exam period is considered the last day of the term. Unreturned term work will become the property of the Faculty of Arts and will be subject to confidential destruction.

#### **Electronic Devices and Copyright**

The instructor (Ardeshir Sepehri) and the textbook publisher hold copyright over the course materials, presentations and lectures which form part of this course. No audio or video recording of lectures or presentations is allowed in any format, openly or surreptitiously, in whole or in part without permission of the instructor. Course materials (both paper and digital) are for the participant’s private study and research only and are not to be redistributed.

## **Section A: Academic supports available to Students**

### **Writing and Learning Support**

The Academic Learning Centre (ALC) offers services that may be helpful to you throughout your academic program. Through the ALC, you can meet with a learning specialist to discuss concerns such as time management, learning strategies, and test-taking strategies. The ALC also offers peer supported study groups called Supplemental Instruction (SI) for certain courses that students have typically found difficult. In these study groups, students have opportunities to ask questions, compare notes, discuss content, solve practice problems, and develop new study strategies in a group-learning format.

You can also meet one-to-one with a writing tutor who can give you feedback at any stage of the writing process, whether you are just beginning to work on a written assignment or already have a draft. If you are interested in meeting with a writing tutor, reserve your appointment two to three days in advance of the time you would like to meet. Also, plan to meet with a writing tutor a few days before your paper is due so that you have time to work with the tutor's feedback.

These Academic Learning Centre services are free for U of M students. For more information, please visit the Academic Learning Centre website at: <http://umanitoba.ca/student/academiclearning/>

You can also contact the Academic Learning Centre by calling 204-480-1481 or by visiting 201 Tier Building.

### **University of Manitoba Libraries (UML)**

As the primary contact for all research needs, your liaison librarian can play a vital role when completing academic papers and assignments. Liaisons can answer questions about managing citations, or locating appropriate resources, and will address any other concerns you may have, regarding the research process. Liaisons can be contacted by email or phone, and are also available to meet with you in-person. A complete list of liaison librarians can be found by subject: <http://bit.ly/WcEbA1> or name: <http://bit.ly/1tJ0bB4>. In addition, general library assistance is provided in person at 19 University Libraries, located on both the Fort Garry and Bannatyne campuses, as well as in many Winnipeg hospitals. For a listing of all libraries, please consult the following: <http://bit.ly/1sXe6RA>. When working remotely, students can also receive help online, via the Ask-a-Librarian chat found on the Libraries' homepage: [www.umanitoba.ca/libraries](http://www.umanitoba.ca/libraries).

## **Section B: Health and mental health**

**For 24/7 mental health support, contact the Mobile Crisis Service at 204-940-1781.**

### **Student Counselling Centre**

Contact SCC if you are concerned about any aspect of your mental health, including anxiety, stress, or depression, or for help with relationships or other life concerns. SCC offers crisis services as well as individual, couple, and group counselling. *Student Counselling Centre:* <http://umanitoba.ca/student/counselling/index.html>  
474 University Centre or S207 Medical Services  
(204) 474-8592

### **Student Support Case Management**

Contact the Student Support Case Management team if you are concerned about yourself or another student and don't know where to turn. SSCM helps connect students with on and off campus resources, provides safety planning, and offers other supports, including consultation, educational workshops, and referral to the STATIS threat assessment team.

*Student Support Intake Assistant* <http://umanitoba.ca/student/case-manager/index.html>  
520 University Centre  
(204) 474-7423

## University Health Service

Contact UHS for any medical concerns, including mental health problems. UHS offers a full range of medical services to students, including psychiatric consultation.

University Health Service <http://umanitoba.ca/student/health/>

104 University Centre, Fort Garry Campus

(204) 474-8411 (Business hours or after hours/urgent calls)

## Health and Wellness

Contact our Health and Wellness Educator if you are interested in information on a broad range of health topics, including physical and mental health concerns, alcohol and substance use harms, and sexual assault.

Health and Wellness Educator <http://umanitoba.ca/student/health-wellness/welcome.html>

[Katie.Kutryk@umanitoba.ca](mailto:Katie.Kutryk@umanitoba.ca)

469 University Centre

(204) 295-9032

## Live Well @ U of M

For comprehensive information about the full range of health and wellness resources available on campus, visit the Live Well @ UofM site:

<http://umanitoba.ca/student/livewell/index.html>

## Section C: Copyright

All students are required to respect copyright as per Canada's *Copyright Act*. Staff and students play a key role in the University's copyright compliance as we balance user rights for educational purposes with the rights of content creators from around the world. The Copyright Office provides copyright resources and support for all members of the University of Manitoba community.

Visit <http://umanitoba.ca/copyright> for more information.

## Section D: University and Unit policies, procedures, and supplemental information

### Your rights and responsibilities

As a student of the University of Manitoba you have rights and responsibilities. It is important for you to know what you can expect from the University as a student and to understand what the University expects from you. Become familiar with the policies and procedures of the University and the regulations that are specific to your faculty, college or school.

The [Academic Calendar](http://umanitoba.ca/student/records/academiccalendar.html) <http://umanitoba.ca/student/records/academiccalendar.html> is one important source of information. View the sections *University Policies and Procedures* and *General Academic Regulations*.

While all of the information contained in these two sections is important, the following information is highlighted.

- If you have questions about your grades, talk to your instructor. There is a process for term work and final **grade appeals**. Note that you have the right to access your final examination scripts. See the Registrar's Office website for more information including appeal deadline dates and the appeal form <http://umanitoba.ca/registrar/>
- You are expected to view the General Academic Regulation section within the Academic Calendar and specifically read the **Academic Integrity** regulation. Consult the course syllabus or ask your instructor for additional information about demonstrating academic integrity in your academic work. Visit the Academic Integrity Site for tools and support <http://umanitoba.ca/academicintegrity/> View the **Student Academic Misconduct** procedure for more information.

- The University is committed to a respectful work and learning environment. You have the right to be treated with respect and you are expected to conduct yourself in an appropriate respectful manner. Policies governing behavior include the:
  - Respectful Work and Learning Environment**  
[http://umanitoba.ca/admin/governance/governing\\_documents/community/230.html](http://umanitoba.ca/admin/governance/governing_documents/community/230.html)
  - Student Discipline**  
[http://umanitoba.ca/admin/governance/governing\\_documents/students/student\\_discipline.html](http://umanitoba.ca/admin/governance/governing_documents/students/student_discipline.html) and,
  - Violent or Threatening Behaviour**  
[http://umanitoba.ca/admin/governance/governing\\_documents/community/669.html](http://umanitoba.ca/admin/governance/governing_documents/community/669.html)
- If you experience **Sexual Assault** or know a member of the University community who has, it is important to know there is a policy that provides information about the supports available to those who disclose and outlines a process for reporting. The **Sexual Assault** policy may be found at: [http://umanitoba.ca/admin/governance/governing\\_documents/community/230.html](http://umanitoba.ca/admin/governance/governing_documents/community/230.html) More information and resources can be found by reviewing the Sexual Assault site <http://umanitoba.ca/student/sexual-assault/>
- For information about rights and responsibilities regarding **Intellectual Property** view the policy [http://umanitoba.ca/admin/governance/media/Intellectual\\_Property\\_Policy\\_-\\_2013\\_10\\_01.pdf](http://umanitoba.ca/admin/governance/media/Intellectual_Property_Policy_-_2013_10_01.pdf)
- For information on regulations that are specific to your academic program:
  - See the section in the Academic Calendar and on the respective faculty/college/school web site <http://umanitoba.ca/faculties/>
  - Contact an **Academic Advisor** within our faculty/college or school for questions about your academic program and regulations <http://umanitoba.ca/academic-advisors/>

## Student Advocacy

Contact Student Advocacy if you want to know more about your rights and responsibilities as a student, have questions about policies and procedures, and/or want support in dealing with academic or discipline concerns. <http://umanitoba.ca/student/advocacy/>

520 University Centre

204 474 7423

[student\\_advocacy@umanitoba.ca](mailto:student_advocacy@umanitoba.ca)

## Student Registration Instructions

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### To register for **Macroeconomics 2020 A01** :

1. Go to [www.pearson.com/mylab](http://www.pearson.com/mylab) .
2. Under Register, select **Student** .
3. Confirm you have the information needed, then select **OK! Register now** .
4. Enter your instructor's course ID: **sepehri70076** , and **Continue** .
5. Enter your existing Pearson account **username** and **password** to **Sign In** .  
You have an account if you have ever used a MyLab or Mastering product.
  - » If you don't have an account, select **Create** and complete the required fields.
6. Select an access option.
  - » Enter the access code that came with your textbook or that you purchased separately from the bookstore.
  - » If available for your course,
    - Buy access using a credit card or PayPal.
    - Get temporary access.
7. From the You're Done! page, select **Go To My Courses** .
8. On the My Courses page, select the course name **Macroeconomics 2020 A01** to start your work.

### To sign in later:

1. Go to [www.pearson.com/mylab](http://www.pearson.com/mylab) .
2. Select **Sign In** .
3. Enter your Pearson account **username** and **password**, and **Sign In** .
4. Select the course name **Macroeconomics 2020 A01** to start your work.

### To upgrade temporary access to full access:

1. Go to [www.pearson.com/mylab](http://www.pearson.com/mylab) .
2. Select **Sign In** .
3. Enter your Pearson account **username** and **password**, and **Sign In** .
4. Select **Upgrade access** for **Macroeconomics 2020 A01** .
5. Enter an access code or buy access with a credit card or PayPal.