



St. Francis Xavier University

Department of Economics

ECON 202.10: Intermediate Macroeconomics I

Instructor: Zeynep Ozkok

Fall 2020

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Classes: Tuesday 12:45 pm – 2:00 pm and Thursday 11:15 am – 12:30 pm

Office Hours: Tuesday 2:00 pm – 3:00 pm and Thursday 3:30 pm – 4:30 pm.

Description

This is the first of two half-courses on intermediate macroeconomics. Students will learn the structure and behavior of contemporary national economies with an emphasis on the policies developed to gear them towards the public interest. This course focuses on the Keynesian and classical models of the closed economy for explaining what determines national income, employment, unemployment, prices, inflation, and the interest rate.

Objectives and Learning Outcomes

The course has three main objectives:

- (1) To introduce students to basic macroeconomic models that can help them understand current macroeconomic issues.
- (2) To understand how time horizons can affect macroeconomic outcomes and policy decisions.
- (3) To prepare students for further study of macroeconomics at an advanced level.

Prerequisites

ECON 101 and 102.

Textbook

Mankiw, N. G. and W. Scarth. (2020). *Macroeconomics*. 6th Canadian Edition. New York: Worth Publishers Macmillan Learning. (**Note:** The same textbook will be used for ECON 302 in the Winter 2021 semester. You **CAN** also use the 5th Canadian Edition.)

Evaluation

The course grade is based on a midterm, four assignments and a final exam as follows:

- Mid-term: 30%
- Assignments (4): 20%
- Final exam: 50%

Students are expected to attend all lectures. The mid-term exam is scheduled for **October 27** during class time. The final exam, to be scheduled by the registrar's office in December 2020, will be cumulative and will cover material from the whole term.

Four assignments will be given throughout the term. Students are free to work with other students on these assignments and submit their work in groups of 1, 2 or 3. Assignments should be handed in during the start of the lecture in which they are due. Late assignments will not be accepted and will receive a mark of zero. The solutions for the assignments will be posted on Moodle.

The office hours for this term will be conducted online on Blackboard Collaborate. The link for the virtual office hours will be posted on Moodle. Please allow for 5 to 10 minutes for everyone to get on Blackboard Collaborate. Aside from the online office hours, you can also send me questions via email.

Please note that this in-person course will switch to online delivery if circumstances related to Covid-19 require it in the Fall term. Also, note that the materials in this course are the property of the instructor. Copying this material for distribution, online posting, or selling of this material to third parties for distribution without permission is subject to Canadian Copyright Law and is strictly prohibited. Copying this material for distribution (e.g. uploading material to a commercial third-party website) may lead to a charge of misconduct under StFX's Community Code of Conduct and the Senate Policy on Academic Integrity and/or legal consequences for violation of copyright law if copyright law has been violated. For more information, please visit the StFX copyright guide: <http://www2.mystfx.ca/library/campus-copyright>

Course Outline

Part I: Introduction

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|----------------------------------|---------|
| 1. The Science of Macroeconomics | 1 |
| 2. The Data of Macroeconomics | 2 |

Part II: Classical Theory: The Economy in the Long-Run

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| 1. National Income: Where it comes from and where it goes | 3 |
| 2. Money and Inflation | 4, 5 |
| 3. Unemployment and the Labour Market | 7 |

Part III: Business Cycle Theory: The Economy in the Short-Run

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| 1. Introduction to Economic Fluctuations | 10 |
| 2. Aggregate Demand I: Building the IS-LM Model | 11 |
| 3. Aggregate Demand II: Applying the IS-LM Model | 12 |

Part IV: Growth Theory: The Economy in the Very Long-Run (If time permits)

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| 1. Economic Growth I: Capital Accumulation and Population Growth | 8 |
| 2. Economic Growth II: Technology, Empirics, and Policy | 9 |