

Intermediate Macroeconomics II

ECON 302, Winter 2020

Mondays 2:15-3:30pm and Thursdays 3:45-5pm, MULH4034

Professor: Diana Alessandrini

Office: MULH3069

Email: dalessan@stfx.ca

Office Phone: (902) 867-3982

Class Webpage (Moodle): [Moodle.stfx.ca](https://moodle.stfx.ca)

Office hours	
Mondays	9:45-10:45am; 3:45-4:45pm
Wednesdays	3-5pm
Thursdays	11:15am-12:15pm; 2:15-3:15pm

COURSE DESCRIPTION

This is the second of two half-courses on intermediate macroeconomics. The course covers several macroeconomic models for both closed and open economies, in static and dynamic contexts. Topics will include an in-depth analysis of economic growth, exchange rate regimes, currency attacks, fiscal and monetary policy under different exchange rate regimes, the relationship between unemployment and inflation, and recent developments in stabilization policies.

OBJECTIVES AND LEARNING OUTCOMES

- (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 202

REQUIRED TEXTBOOK

"Macroeconomics: Canadian edition" by Mankiw and Scarth, 5th edition, Macmillan

Note that you used this textbook in Econ 202. I will follow the fifth edition of the textbook, but you can also use the fourth edition. However, in this case, it's your responsibility to check that the order of chapters/topics is the same. You can rent the e-book or the hardcover for 4 months from the [Macmillan website](https://www.macmillan.com) (approx. \$30-\$60) or purchase the print edition from the

Macmillan website or at the bookstore (hardcover option, price \$184) or buy a used copy from the bookstore/other sellers.

EVALUATION:

WEIGHTING SCHEME A (default)	WEIGHTING SCHEME B
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Assignments (best 3 out of 4)	10%	10%
Midterm	35%	35%
Final exam	50%	45%
In-class participation	5%	5%
Presentations		5%

- **Assignments:** Deadlines will be announced in class and posted on Moodle throughout the semester. Assignments are due at the beginning of the class. If you cannot attend the class, please email me a scanned copy of the assignment. Please note that I should receive the email by the beginning of the class. The best 3 assignments will count towards your final grade. It is not possible to submit an assignment after the deadline.
- **Midterm test:**
There will be a midterm test in class on **February 27th**.
In the event of a winter closure on the midterm exam day, the exam will be automatically moved to the next scheduled lecture. Students should be prepared for this eventuality. Should you miss the midterm exam due to extenuating circumstances, you will be permitted to write a make-up exam during March 23th-25th. Requests to alter the midterm date for travel plans will not be accommodated.
- **Cumulative final exam:** The examination schedule will be available within 4 weeks after the beginning of classes each term. If you are unable to attend the final exam due to illness or due to a serious unexpected circumstance you must notify the appropriate Dean (i.e. Dean of Business if you are enrolled in a Business program, Dean of Arts if you are enrolled in an Arts program, etc.).
- **In-class participation:** participation will be assessed based on attendance and contributions to in-class activities such as discussions, group activities, and active review sessions. After each class, I will record your participation mark as follows: absent (0), present but not contributing

(1), present and contributing (2). On days when there is no in-class activity, students who are present will receive a score of 2. At the end of the semester, your participation grade will be calculated as follows. I will drop your lowest 3 marks and add your remaining participation marks, which will then be transformed into a percentage score.

- **Presentations (optional):** if you choose weighting scheme B, you will be asked to monitor a macroeconomic variable during the semester and give updates to the class when a new estimate of the variable is released. For example, you can choose to monitor the unemployment rate, which is released monthly. After a new release, you will be asked to present the new estimate of the unemployment rate to the class and compare it to previous values. These brief presentations serve two purposes: (1) you will learn how to find new information about important macroeconomic variables, and (2) you and the class will stay informed regarding recent economic events, which in turn will guide our class discussions. You can find a sample presentation slide posted on Moodle, please use this file as guidance. I also posted a list of macroeconomic indicators of interest, but you can propose a different indicator if you prefer. If you choose weighting scheme B, you must let me know by January 16. We will then meet briefly to discuss which macroeconomic indicator you will monitor and when your presentations will occur. You can expect to present twice during the semester, the presentation should take a few minutes. It will not be possible to choose weighting scheme B after January 16.

OTHER POLICIES:

- **Classroom conduct:**

I need your cooperation to ensure orderly conduct of lectures.

- Please arrive on time. If you have to leave early on a particular day for a valid reason, please let me know in advance and try to find a seat near the aisle to minimize class disruption. You may not come and go as you please.
- Discussions among students are very disruptive. If you have a question, please share it with all of us.

- **Taking pictures or videos during lectures is not allowed.** Please note that the materials in this course are the property of the instructor. Online posting or selling this material to third parties for distribution without permission is subject to Canadian Copyright law and is strictly prohibited.

- **Accommodations through the center for accessible learning:**

Students who need accommodations are asked to contact the Tramble Centre for Accessible Learning at 902-867-5349 (<http://www2.mystfx.ca/accessible-learning/>)

- **Equitable learning:**

Everyone learns more effectively in a respectful, safe and equitable learning environment, free

from discrimination and harassment. I invite you to work with me to create a classroom space – both real and virtual – that fosters and promotes values of human dignity, equity, non-discrimination and respect for diversity.

- **Academic Integrity Policy:** <http://www2.mystfx.ca/registrars-office/academic-integrity>
- **March 6th** is the last day to drop the course. If you decide to drop the course, you must do so online through Banner. Permission to drop or change a course after the deadline can only be granted by the Dean's office.

TENTATIVE SCHEDULE:

Ch. 7. Economic Growth I: Capital Accumulation and Population Growth

Ch. 8. Economic Growth II: Technology, Empirics, and Policy

Ch. 5. The Open Economy

Ch. 12. The Mundell-Fleming model

Ch. 13. The Short-run trade off between inflation and unemployment

Ch. 14. A dynamic model of Aggregate Demand and Aggregate Supply

Ch. 15. Stabilization policy

Ch. 16 Government Debt and Budget Deficits (*if time permits*)