

Econ 222 - Macroeconomic Theory I
Section 002
Queen's University
Fall 2012

Class Times: Tuesday 8:30-10:00am, Friday 10:00-11:30am, Jeffrey Room 126.

Instructor: Robert J. McKeown, Dunning Hall 317. mckeownr at econ.queensu.ca

Office Hours: Thursday 1:00-2.30pm or by appointment

Course Website: Announcements will be posted on the 222 website (please, check it on a regular basis). It is moving however you can always find it by navigating to the undergraduate timetable and clicking on the ECON 222 link.

<http://www.econ.queensu.ca/academics/undergraduate/courses/timetables/fall2012>

The website is an invaluable source of information to help you. You can find useful links, help finding data, past tests and exams as well as other course-related material.

Teaching Assistants: will be available for office hours and scheduled tutorials. Please see the course website by navigating to the undergraduate timetable

Textbook: The textbook for the course, *Macroeconomics* (Sixth Canadian edition) by Abel, Bernanke, Kneebone and Croushore (Toronto: Pearson Education, 2011), is available in the campus bookstore.

Prerequisite: ECON 110 or 111*/112*
Co-requisite: MATH 126 or equivalent

Marking Scheme:

Assignments	20% (4 assignments each worth 5%)
Midterm Test	30%
Final Exam	50%

You will need a non-programmable calculator (Casio 991 series, or blue or gold sticker) for each test/exam.

The **midterm** date is *tentatively* scheduled for **October 30th, 2012** in class.

The **assignments** are due by noon (in the 222 drop-box) on the dates listed below. You may work with other students on exercises but must submit **your own** set of answers. In other words, one name per assignment only.

Answers to exercises and the midterm will be displayed promptly on the website. Therefore, **late submissions will not be accepted.**

Course Content Overview:

Since thoughtfully-applied economics can be a useful way to organize one's thoughts, the **goal of the course** is to teach you how take an "economic approach" to analyze complex issues and current events. This will involve some mathematics and an understanding of how economic models work, how they are applied, and their limitations. At times this approach will require some work with different data sources, preparing graphs or tables, performing some calculations and interpreting the results. Ultimately, the applicable skill I'm trying to teach is the ability to understand how economic policy and shocks affect the economy as reflected in aggregate macro variables such as output, interest rates, prices and employment. What defines macroeconomics is mainly a broader view of things and the types of questions that are posed. We will look at the economy as a whole, rather than the specific or 'micro' details (though these are also important). As for the questions: Why are some countries rich while others are poor? What impacts do high energy prices have on the economy? What determines interest rates? How does the Bank of Canada influence the economy? *etc.*

Some economics issues we consider in this course include:

- Decisions individuals face such as whether to save or consume, work or enjoy leisure.
- Decisions employers face either to hire more employees or expand their factory's capacity.
- Decisions government face such as how to best respond to economic shocks.

Tentative Schedule:

Topic	Chapter	Week	Due Dates
Defining Macroeconomics	1	1	
Measurement & Accounting	2	2	
Productivity & Employment	3	3	
Saving & Investment	4	4	Assignment 1 due October 1st
International Debt	5	5	
Economic Growth	6	6	Assignment 2 due October 15 th
Money and Inflation	7	7	
Business Cycles	8	8	Mid-term October 30 th in class
IS-LM Model	9	9	Assignment 3 due November 5 th
Exchange Rates & Macro Policy	10	10	
Exchange Rates & Macro Policy	10	11	Assignment 4 due November 19 th
Unemployment & Inflation	13	12	Classes end on November 30 th
Final Exam TBA Oct. 5 th – will occur sometime between December 5th - 20 th , 2012. Do not book your travel plans in conflict with the final exam period!			

Statement on Academic Integrity

Academic integrity is constituted by the five core fundamental values of honesty, trust, fairness, respect and responsibility (see www.academicintegrity.org). These values are central to the building, nurturing and sustaining of an academic community in which all members of the community will thrive. Adherence to the values expressed through academic integrity forms a foundation for the "freedom of inquiry and exchange of ideas" essential to the intellectual life of the University (see the Senate Report on Principles and Priorities). Students are responsible for familiarizing themselves with the regulations concerning academic integrity and for ensuring that their assignments conform to the principles of academic integrity. Information on academic integrity is available in the Arts and Science Calendar (see Academic Regulation 1), on the Arts and Science website (see <http://www.queensu.ca/calendars/artsci/pg532.html>), and from the instructor of this course. Departures from academic integrity include plagiarism, use of unauthorized materials, facilitation, forgery and falsification, and are antithetical to the development of an academic community at Queen's. Given the seriousness of these matters, actions which contravene the regulation on academic integrity carry sanctions that can range from a warning or the loss of grades on an assignment to the failure of a course to a requirement to withdraw from the university.

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The grading method used in this course is: "Numbers in, letters out".

All components of this course will receive numerical percentage marks. The final grade you receive for the course will be derived by converting your numerical course average to a letter grade according to Queen's Official Grade Conversion Scale. Queen's Official Grade Conversion Scale can be accessed at:

<http://www.queensu.ca/artsci/academics/undergraduate/current/new-grading-scheme>
