

Economics 222B, Macroeconomic Theory I
Queen's University
Winter 2013

Class Times: Monday 4:00-5:30, Thursday 2:30-4:00, Mac-Corry B201

Instructor: Robert J. McKeown, Dunning Hall room 317 phone (613) 533-2268 or ext 32268

Office Hours: Wednesday 10:00-11:30am

Teaching Assistants: see website below

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

Textbook: The textbook for the course, *Macroeconomics* (sixth Canadian edition) by Abel, Bernanke, and Kneebone (Toronto: Addison Wesley, 2008), is available in the campus bookstore. **NOTE: For our purposes, both the 5th and the 6th edition of the book will do, as they are almost identical. The numbering of the chapters did not change, so the table below applies to both editions.**

Course Website: Announcements will be posted on the 222 website (please, check it often).

<http://qed.econ.queensu.ca/pub/students/phds/mckeown/econ222/>

You can also find links to the data sources, past tests and exams as well as other course-related material.

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 exam** is going to take place on **February 26th, 7-8:30pm**, Botterall, BOT B139, B143 & B147

The **assignments** are due by noon (in the 222 drop-box) on the dates listed below. You may work with other students on exercises, submitting **your own** set of answers.

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 math 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.

Topic	Chapter	Week	Due Dates
Defining Macroeconomics	1	1	
Measurement & Accounting	2	2	
Productivity & Employment	3	3	Assignment 1 due January 25 th
Saving & Investment	4	4	
International Debt	5	5	Assignment 2 due February 8 th
Economic Growth	6	6	Midterm test TBA
READING WEEK		7	
Money and Inflation	7	8	
Business Cycles	8	9	
IS-LM Model	9	10	Assignment 3 due March 15 th
Exchange Rates & Macro Policy	10	11	
Exchange Rates & Macro Policy	10	12	Assignment 4 due March 28 th
Unemployment & Inflation	13	13	Classes end on April 5 th
222 Final Exam TBA – will occur sometime between April 11 th - 27 th , 2013			

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>
