

# **ECONOMICS 2H03**

## **Intermediate Macroeconomics I**

### **Fall 2018**

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**Office :** KTH 405, 905 525 9140 ext. 23826

**Office Hours:** TBA

**Lecture:** C01 – Tuesday/Wednesday/Friday, 12:30-1:20 p.m., MDCL 1110

C02 – Monday/Wednesday, 11:30-12:20 p.m., Friday, 1:30-2:20 p.m., MDCL 1110

### **TEACHING ASSISTANT(S):**

The name, office hours, and email address of the teaching assistant(s) will be posted on Avenue to Learn

### **COURSE DESCRIPTION:**

Economics 2H03 is a half-year course in Intermediate Macroeconomics. In this course, the functioning of the aggregate economy is analyzed starting from topics in basic aggregate data measurement. Given an introduction to the macroeconomic data and the basic flexible price model, theories of short-run macroeconomic fluctuations are discussed in detail using standard IS-LM model.

### **PREREQUISITE(S):**

[ECON 1BB3](#) (or [ARTS&SCI 2E03](#)); and one of [MATH 1K03](#) or Grade 12 Advanced Functions U. Students without credit in one of [MATH 1F03](#), [MATH 1M03](#), Grade 12 Calculus and Vectors U (or Grade 12 Advanced Functions and Introductory Calculus U) or equivalent are strongly advised to register in [MATH 1F03](#) or [MATH 1M03](#), concurrently with ECON 2H03.

### **REQUIRED TEXTBOOK:**

Macroeconomics, **5th** Canadian edition: N. Mankiw and W. Scarth (ISBN: 13:978-1-4641-6850-5)

### **LEARNING OUTCOMES:**

At the end of the course, students should be able to

- Know what issues are discussed in macroeconomics and how key macroeconomic data is measured
- Explain how equilibrium in the goods market is achieved
- Explain how central bank controls money supply
- Understand accounting identities for the open economy and explain trade balance and exchange rate determination using small open economy model

- Explain how the model of aggregate demand and aggregate supply can be used to analyze the short-run and long-run effects of “shocks.”
- Explain how the *IS-LM* model determines income and the interest rate in the short run when *P* is fixed
- Explain how to derive the aggregate demand curve for a small open economy

## **COURSE WEBSITE**

Avenue to Learn ([avenue.mcmaster.ca](http://avenue.mcmaster.ca)) is McMaster’s learning management system and is where all the course material will be posted. Course material is posted under the ‘Content Tab’ on Avenue and includes:

- Course Outline
- PowerPoint Notes
- Selected textbook questions and answers
- Office hours of the instructor and teaching assistant
- Grades
- Announcements

## **EVALUATION**

Component	Weight	Due Date	Location
1. Quizzes	8%	Weekly by Monday 11:00pm (starting Sep. 14 <sup>th</sup> )	Avenue to Learn
2. iclickers	7% (best 80%)	Every lecture (starting September 10 <sup>th</sup> )	In lecture
3a. Test #1	20%	Wednesday, Oct. 3 <sup>rd</sup>	TBA
3b. Test #2	20%	Wednesday, November 7 <sup>th</sup>	TBA
4. Final Exam	45% (with iclicker) 52% (without iclicker)		TBA

### **Quizzes**

Quizzes will be administered through Avenue to Learn. All Quizzes will consist on Multiple-Choice questions. See below the detail information on the coverage, availability and due dates.

## **iClickers**

Starting September 10<sup>th</sup>, we will make use of iclickers (or “clickers”) – an electronic response system that allows you to register an answer to questions asked in class. Your best 80% clicker sessions will count for 7% of the course grade. Each clicker session is graded out of 5 points. Three of the five are awarded for answering at least 75% of the questions posed in class, even if all of these are answered incorrectly. This is the “participation” portion of the clicker grade. One mark is awarded for each question answered correctly, to a maximum of two. This is the “performance” portion of the clicker grade. **Students with a higher grade on the final exam will have the grade weight from the iclickers shifted to the final exam.**

iclickers may be purchased through the campus store. Each student is responsible for buying a clicker, registering it (see below), bringing it to class, and ensuring that the batteries are in working order. Any of i>clicker2 (with screen), i>clicker+ (no screen) or the original i>clicker can be used.

According to McMaster University **Academic Integrity Policy**

(<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf>)

*It shall be an offence knowingly to:*

- q) *impersonate another student either in person or electronically for the purpose of academic assessment.*

## **Clicker Registration**

Students must register their i>clickers each academic term. If you have successfully registered an i>clicker in the past, you **must** register it for the current term. Registrations do not carry over from one term to another.

**Do NOT enter your student ID number when registering!**

*Instead enter your Mac ID which is the name before @ in your McMaster e-mail address.*

See step 5 below.

To complete the student registration form, students must:

1. Go to <https://www.iclicker.com/register-a-remote>

2. Which software will your instructor use in class?

Select: iClicker Classic (formerly iClicker 7)

3. Which Learning Management System does your institution use?

Select: Brightspace/D2L

Then choose “register directly on our website”

4. Enter your first name and last name in the appropriate fields.

**5. Enter your Mac ID - which is the name before the @ symbol in your McMaster e-mail address - as student ID.**

6. Enter your i>clicker remote ID. The remote ID is the 8-character alphanumeric code printed below the barcode on the back of your remote.

7. Enter the letters or numbers in the security image on the screen. This verification image is a slightly distorted series of characters used to prevent spam bots from submitting the form. Students can request another image if they find the first hard to see, or play an audio reading of it instead.

8. Click the Enter button. An on-screen message confirms that registration was successful.

For general iclicker inquiries, visit

<https://campusstore.mcmaster.ca/information/faq/iclicker-faq.html> .

### **3a & 3b. Test #1 & Test #2**

Both tests, 60 minutes long, will consist of 30 multiple choice questions and one short answer (either numerical or analytical) question. The material for each test is outlined below. (Note: both tests will be held during lecture time)

### **4. Final Exam**

The final exam will be 2 hours in length and will be written during the final exam period. The exam will consist of 60 multiple choice questions and one short answer question and is cumulative.

## **MISSING QUIZZES AND/OR TESTS**

- There will be no makeup quizzes or makeup tests
- If you miss a test or quiz you will get a grade of zero unless you complete and submit a McMaster Student Absence Form (MSAF) which can be found at <https://www.mcmaster.ca/msaf/>
- With approved MASF, weight of the missed quiz or test will be shifted towards final exam.
- **NOTE: MSAF is not accepted for online quizzes and class participation through iclickers**

## **USE OF CALCULATORS**

Only the Casio FX-991 series calculator may be used for tests and the exam (available in the bookstore).

## **PHOTO ID**

You will be required to show your university photo ID at all tests and the exam.

## **SCAN SHEETS**

For all tests and the final examination **multiple choice questions** to be answered on scan sheets.

You must use an HB pencil to fill in these sheets and you are responsible for providing your own.

## **IMPORTANT DATES**

- Test # 1                      Wednesday, October 3<sup>rd</sup>

- Test # 2 Wednesday, November 7<sup>th</sup>  
Note: Both term tests will be held during the class time

- Final Exam: According to Registrar office
- Course Withdrawal Friday, November 9<sup>th</sup>

## **UNIVERSITY POLICIES**

### ***Academic Integrity Statement***

You are expected to exhibit honesty and use ethical behavior in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behavior can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations.

### ***Academic Accommodation of Students with Disabilities***

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements. Academic accommodations must be arranged before classes or academic work begins, and for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail [sas@mcmaster.ca](mailto:sas@mcmaster.ca). For further information, consult McMaster University's Policy for [Academic Accommodation of Students with Disabilities](#).

### ***Academic Accommodation for Religious, Indigenous and Spiritual Observances***

Students who require academic accommodation due to an Observance must submit a RISO form to their Faculty office, electronically or in person, normally within ten working days from the beginning of each term in which they are anticipating a need for Accommodation. For further information, consult McMaster University's [Policy on Academic Accommodation for Religious, Indigenous and Spiritual Observances](#).

### ***Faculty of Social Sciences E-mail Communication Policy***

Effective September 1, 2010, it is the policy of the Faculty of Social Sciences that all e-mail communication sent from students to instructors (including TAs), and from students to staff, must originate from the student's own McMaster University e-mail account. This policy protects

confidentiality and confirms the identity of the student. It is the student's responsibility to ensure that communication is sent to the university from a McMaster account. If an instructor becomes aware that a communication has come from an alternate address, the instructor may not reply at his or her discretion.

### ***Course Modification***

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check his/her McMaster email and course websites weekly during the term and to note any changes.

### **DETAILED COURSE SCHEDULE**

Dates	Topics/Readings	Quizzes on Avenue
Week 1 Sep. 4 <sup>th</sup> to 7 <sup>th</sup>	Introduction and overview The science of Macroeconomics Chapter 1	
Week 2 Sep. 10 <sup>th</sup> to 14 <sup>th</sup>	The data of Macroeconomic Chapter 2 Unemployment Chapter 6	
Week 3 Sep. 17 <sup>th</sup> to 21 <sup>st</sup>	National Income: where it comes from and where it goes Chapter 3	Quiz #1 (Covers chapters 1 &2) Open Sep 14 <sup>th</sup> 8:30 am Closes Sep. 17 <sup>th</sup> 11: 30 pm
Week 4 Sep. 24 <sup>th</sup> to 28 <sup>th</sup>	Money and Inflation Chapter 4	Quiz #2 (Covers chapter 6) Open Sep. 21 <sup>st</sup> 8:30 am Closes Sep. 24 <sup>th</sup> 11:30 pm
Week 5 Oct. 1 <sup>st</sup> to 5 <sup>th</sup>	<b>Test # 1 (Covers chapters 1,2,3, &amp;6)</b>	Quiz #3 (Covers chapter 3) Open Sep. 28 <sup>th</sup> 8:30 am Closes Oct. 1 <sup>st</sup> 11:30 pm
Week 6 Oct. 8 <sup>th</sup> to 12 <sup>th</sup>	<i>Reading Break</i>	

Week 7 Oct. 15 <sup>th</sup> to 19 <sup>th</sup>	Introduction to economic fluctuations Chapter 9	Quiz #4 (Covers chapter 4 &9) Open Oct. 19 <sup>th</sup> 8:30 am Closes Oct. 22 <sup>nd</sup> 11:30 pm
Week 8 Oct. 22 <sup>nd</sup> to 26 <sup>th</sup>	Aggregate Demand: Building the IS-LM model Chapter 10	Quiz #5 (Covers chapter 10) Open Oct. 26 <sup>th</sup> 8:30 am Closes Oct. 29 <sup>th</sup> 11:30 pm
Week 9 Oct. 29 <sup>th</sup> to Nov. 2 <sup>nd</sup>	Aggregate Demand: Applying the IS-LM model Chapter 11	Quiz #6 (Covers chapter 11) Open Nov. 2 <sup>nd</sup> 8:30 am Closes Nov. 4 <sup>th</sup> 11:30 pm
Week 10 Nov. 5 <sup>th</sup> to 9 <sup>th</sup>	<b>Test # 2 (Covers chapters 4,9,10 &amp; 11</b>	
Week 11 Nov. 12 <sup>th</sup> to 16 <sup>th</sup>	Open Economy Chapter 5	Quiz #7 (Covers chapter 5) Open Nov. 16 <sup>th</sup> 8:30 am Closes Nov. 19 <sup>th</sup> 11:30 pm
Week 12 Nov. 19 <sup>th</sup> to 23 <sup>rd</sup>	The open economy: Mundell-Fleming model and exchange rate regime Chapter 12	Quiz #8 (Covers chapter 12) Open Nov. 23 <sup>rd</sup> 8:30 am Closes Nov. 26 <sup>th</sup> 11:30 pm
Week 13 Nov. 26 <sup>th</sup> to 30 <sup>th</sup>	Aggregate supply and the short-run trade-off between inflation and unemployment Chapter 13	Quiz #9 (Covers chapter 13) Open Nov. 30 <sup>th</sup> 8:30 am Closes Dec. 3 <sup>rd</sup> 11:30 pm
Week 14 Dec. 3 <sup>rd</sup> to 5 <sup>th</sup>	Review	

Note: The instructor reserves the right to modify elements of the course and will notify students accordingly (in class and post any changes to Avenue to Learn).