

McMaster University, Department of Economics, ECON 2H03 C03

ECON 2H03 - Intermediate Macroeconomics I

Fall 2021

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Course Outline

Instructor: Anastasios Papanastasiou, Ph.D.

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Office: KTH 434

Office Hours: Mon, 1-2pm and by appt.

In-class Meetings: Mo, We, Thu; 4:30-5:20pm; MDCL 1110. Please see the *course schedule* below for a *tentative* plan for class meetings. The frequency of in-class meetings outlined in the schedule may change depending on public health guidelines.

Course Description

Econ 2H03 develops intermediate-level tools in Macroeconomics. We start with a brief overview of the history of macroeconomic thought, identify key macroeconomic variables and discuss measurement issues. Theories of macroeconomic fluctuations in the short-run are presented next, in the context of the standard IS-LM model for closed and open economies, with an emphasis on the usefulness of the models for analyzing policy effects on the components of aggregate demand and output. We then develop a simple dynamic model to examine price effects over time and the role of the supply sector and consumer expectations. We conclude by interpreting our results in the context of the historical data, identifying limitations in our theories, and a discussion of economic growth over even greater periods of time.

Prerequisites

- ECON 1BB3 (or ARTS&SCI 2E03)
- MATH 1K03 (or equivalent)

Optional: Registration in MATH 1F03 or MATH 1M03 concurrently with 2H03 is recommended.

Course Objectives

By the end of the course students should be able to:

1. use the static IS-LM model to analyze the macroeconomic effects of fiscal and monetary policy in the short run.
2. use the dynamic AS-AD model to analyze policy effects in the short run and in the medium run.
3. explain the assumptions and results in the aforementioned models; use economic thinking to justify as well as question the assumptions; use basic calculus to solve the models; provide the economic intuition behind the models' results.

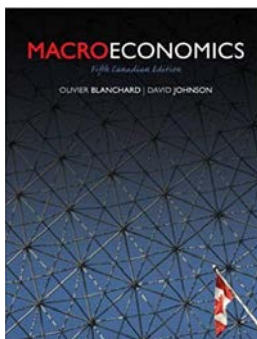
Class Format

Lecture videos: All *required* course content, except the textbook, are delivered online. Lecture videos and additional material will be made available on Avenue-to-Learn. Weekly modules are designed based on each chapter of the textbook. Please refer to the course schedule below for a list of topics and recommended completion dates. Each module includes lecture slides and/or lecture notes, lecture videos, and review questions.

In-class Meetings: Attending the classroom meetings is *optional* and all testable material discussed in-class will also be made available in the lecture videos and additional content posted on Avenue. In these meetings we will review the weekly material, discuss student questions on course material and review problems, discuss advanced topics in relation to the subject material and the mathematical methods used in upper-year macroeconomics (not part of the examinations), and provide tutorials for using software and computational methods in macroeconomics (not part of the examinations). Students are encouraged to bring their questions in-class for open discussion. Students unable to attend the lectures are encouraged to bring their questions to the office hours which are held via zoom.

Course Materials and Texts

- Required Textbook: **Macroeconomics: Fifth Canadian Edition**, Oliver Blanchard and David Johnson, 2015



- - E-copies of the textbook can be purchased through the University Bookstore.

Avenue to Learn

Except the textbook, the required material for this course will be distributed through the Avenue-to-Learn (A2L) website. You are responsible for monitoring the “Announcements” tab in Avenue *daily*. You are also responsible for using A2L to submit your evaluation components by the posted deadlines and at the time the examinations are scheduled. All evaluation components will be distributed on A2L. Detailed instructions on accessing and completing the evaluations will be posted on Avenue, as well as a practice exam to help you get familiarized with the process.

Course Evaluation - Overview

Component	Weight (% of final grade)	Date
Online Midterms (2)	30% (15% each)	Oct 7 and Nov 11, 4:30-5:45pm
Online Quizzes (10)	30% (3% each)	Weekly (see course schedule)
Online Final Exam	40%	TBA

Course Evaluation - Details

Quizzes: Quizzes will be administered through Avenue to Learn. All Quizzes will consist of Multiple-Choice questions. These quizzes are timed - approximately 3 minutes per question - and are scheduled on Thursdays 4:30pm to 5:15 pm, except when a Midterm is scheduled for that week, in which case the Quiz will take place on Wednesday, 4:30-5:15pm (refer to the course schedule below). You will have one attempt to submit your quiz answers within this time slot. Instructions for accessing the term tests and submitting your answers will be provided on Avenue to Learn.

Midterms: Both term tests would be administered through Avenue. Each test is of 75 minutes duration and will include 25 multiple choice questions. Instructions for accessing the term tests and submitting your answers will be provided on Avenue to Learn. The tests are scheduled on Thursdays, 4:30pm-5:45pm. All students must take the term tests at the same time (see schedule below).

Final Exam:

The duration of the final exam will be 120 minutes and will contain 40 Multiple Choice questions. The final exam will be **cumulative** and based on the entire course.

Important Guidelines for Exams:

Because you are taking these exams on your own, we cannot invigilate the same way that we invigilate in-person exams. So, you can use your notes and textbook during the exam. However, the short time frame means that you should prepare (study) ahead of time. You are expected to complete each exam without the aid of other students.

Please pay attention to the following guidelines for taking the exams.

- Restart your machine before the exam
- Turn off all unnecessary programs, especially anything that might be downloading or streaming;
- Coordinate household internet and technology use so that you are not competing with for bandwidth or devices;
- If possible, connect to the internet via a wired connection; Move close to the WiFi hub;
- Have a backup plan in case there is a power or internet outage. For example, use a battery powered device (e.g. laptop) that is fully charged, and your cell phone as a mobile data hotspot in case of an internet outage.
- Use the latest version of either Chrome or Firefox.
- Close all other apps/programs/browser windows.
- Carefully read all instructions before beginning the exam. The time of the exam does not begin until you click “start quiz”.
- You will see between three questions per page at a time and you cannot move back and change your previous answers once you leave the page and go to next page. Thus, you should treat each page as a 3-question exam and allocate about 9 minutes on each page.
- Once you have chosen your answer click “next page”. Do *not* click “next page” more than once. Clicking more than once may result in the pop-up getting stuck and impeding your ability to read future questions.
- When you have answered all questions, click “submit”. You must submit the exam for it to be graded.

Missing Quizzes or Tests

- There will be no makeup quizzes or makeup tests
- If you miss a test you will get a grade of zero unless you complete and submit a McMaster Student Absence Form (MSAF), no later than the day of the exam. Be sure to indicate the correct weight and date of the missed exam.
- With an approved MASF, the weight of the missed test will be shifted towards your final exam.

University Policies

- **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](#).
- **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. For further information, consult [McMaster University's Policy for Academic Accommodation of Students with Disabilities](#).
- **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.
- **Authenticity/Plagiarism Detection** Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software. All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

- **Conduct Expectations** As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, whether in person or online. It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviors that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.
- **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.
- **Courses with an On-Line Element** Some courses may use on-line elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.
- **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.
- **Online Proctoring** Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

- Copyright and Recording** Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, including lectures by University instructors. The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

Course Schedule

<i>Week</i>	<i>Dates</i>	<i>Contents and Textbook Readings</i>	<i>Assessment</i>	<i>In-person Meetings</i>
1	Sep. 7 to Sep. 10	Introduction and Measurement Chapters 1 & 2	No quiz	No meetings
2	Sep. 13 to Sep. 17	The Goods Market Chapter 3	Quiz-1 Covers: Chapter 2 Thu, 4:30-5:15pm	No meetings
3	Sep. 20 to Sep. 24	Financial Markets Chapter 4	Quiz 2 Covers: Chapter 3 Thu, 4:30-5:15pm	Wed, Sep 22, 4:30-5:20pm, MDCL 1110
4	Sep. 27 to Oct. 2	Goods and Financial Markets: The IS-LM Model Chapters 5	Quiz 3 Covers: Chapter 4 Thu, 4:30-5:15pm	Wed, Sep 29, 4:30-5:20pm, MDCL 1110
5	Oct. 4 to Oct. 8	Test # 1 Covers: chapters 1,2,3,4 &5. Thu Oct.7, 4:30-5:45pm	Quiz 4 Covers: Chapter 5 Wed, 4:30-5:15pm	Mon, Oct.4, 4:30-5:20pm, MDCL 1110
6	Oct. 11 to Oct. 17	<i>Mid-term Recess</i>		

7	Oct. 18 to Oct. 22	Openness in Goods and Financial Markets Chapter 6	No quiz	No meetings
8	Oct. 25 to Oct. 29	The Goods Market in an Open Economy, Ch7	Quiz-5 Covers: Chapter 6 Thu, 4:30-5:15pm	Wed, Oct 27, 4:30-5:20pm, MDCL 1110
9	Nov. 1 to Nov. 5	Output, the Interest Rate and the Exchange Rate Chapter 8	Quiz-6 Covers: Chapter 7 Thu, 4:30-5:15pm	Wed, Nov 3, 4:30-5:20pm, MDCL 1110
10	Nov. 8 to Nov. 12	Test # 2 Covers: chapters 6,7 & 8 Thu Nov 11, 4:30-5:45pm	Quiz-7 Covers: Chapter 8 Wed, 4:30-5:15pm	Mon, Nov 8, 4:30-5:20pm, MDCL 1110
11	Nov. 15 to Nov. 19	The Labor Market Chapters 9	Quiz-8 Covers: Chapter 9 Thu, 4:30-5:15pm	Wed, Nov 17, 4:30-5:20pm, MDCL 1110
12	Nov. 22 to Nov. 26	The AS-AD Model, The Basics Chapters 10	Quiz-9 Covers: Chapter 10 Thu, 4:30-5:15pm	Wed, Nov 24, 4:30-5:20pm, MDCL 1110
13	Nov. 29 to Dec. 3	The AS-AD Model, Liquidity Traps and Supply Shocks Chapters 11	Quiz-10 Covers: Chapters 11 Thu, 4:30-5:15pm	Wed, Dec 1, 4:30-5:20pm, MDCL 1110

14	Dec. 6 to Dec. 8	Review for Final exam	No quiz	Wed, Dec 8, 4:30-5:20pm, MDCL 1110
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