



# St. Francis Xavier University

## Department of Economics

### ECON 202.21: Intermediate Macroeconomics I

Instructor: Zeynep Ozkok

Winter 2017

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**Classes:** Tuesday 3:45 pm – 5:00 pm and Thursday 3:45 pm – 5:00 pm

**Office Hours:** Tuesday 12:00 pm – 3:00 pm, Wednesday 11:00 am – 1:00 pm, Thursday 2:00 pm – 3:00 pm

#### Description

This is the first of two half-courses on intermediate macroeconomics. Students will learn the structure and behavior of contemporary national economies with an emphasis on the policies developed to gear them towards the public interest. This course focuses on the Keynesian and classical models of the closed economy for explaining what determines national income, employment, unemployment, prices, inflation, and the interest rate.

#### Objectives and Learning Outcomes

The course has three main objectives:

- (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 101 and 102.

#### Textbook

Mankiw, N. G. and W. Scarth (2014) *Macroeconomics*, Fifth Canadian Edition. New York: Worth. (Note: The same book will be used for ECON 302. You CAN also use the 4<sup>th</sup> Canadian Edition.)

## Evaluation

The course grade is based on two mid-terms and a final exam as follows:

- First mid-term: 25%
- Second mid-term: 25%
- Final exam: 50%

The mid-term exams are scheduled for **February 14** and **March 23**. These exams will not be cumulative. The final exam, to be scheduled by the examinations office in April, will be cumulative.

***No make-up mid-term exams will be offered.*** Should a student miss a mid-term for whatever reason, the weight of the mid-term will be added to the final exam. No adjustments regarding the weight of the final exam will be made.

To prepare for the exams, problems will be assigned during the semester. These will not be graded, although solutions will be discussed in class and posted online after a suitable delay.

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## Course Outline

Part I: Introduction	Chapter
1. The Science of Macroeconomics	1
2. The Data of Macroeconomics	2
Part II: Classical Theory: The Economy in the Long-Run	
1. National Income	3
2. Money and Inflation	4
3. Unemployment	6
Part III: Business Cycle Theory: The Economy in the Short-Run	
1. Introduction to Economic Fluctuations	9
2. Aggregate Demand I: Building the IS-LM Model	10
3. Aggregate Demand II: Applying the IS-LM Model	11
Part IV: Growth Theory: The Economy in the Very Long-Run (If time permits)	
1. Economic Growth I: Capital Accumulation and Population Growth	7
2. Economic Growth II: Technology, Empirics, and Policy	8