



St. Francis Xavier University

Department of Economics

ECON 302: Intermediate Macroeconomics II

Instructor: Zeynep Ozkok

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Classes: Monday 2:15 pm – 3:30 pm and Wednesday 2:15 pm – 3:30 pm
Office Hours: Monday 12:00 pm – 1:30 pm, Wednesday 11:00 am – 1:30 pm

Description

This is the second of two half-courses on intermediate macroeconomics. We present several macroeconomic models of short-run economic fluctuations for both closed and open economies, in static and dynamic contexts. We focus on the questions of unemployment, inflation, interest and exchange rates, the government budget and economic growth in the open economy setting. The course will also consider current macroeconomic policy debates.

Objectives and Learning Outcomes

The course has two main objectives:

- (1) To present students standard static macroeconomic models that can be used to understand current economic developments.
- (2) To prepare students for further study of macroeconomics at an advanced or graduate level by introducing them to dynamic macroeconomic models.

Textbook

Mankiw, N. G. and W. Scarth (2014) *Macroeconomics*, Fifth Canadian Edition. New York: Worth. (You CAN also use the 4th 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 12** and **March 21**. 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, or posted online after a suitable delay.

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Course Outline

Part I: Macroeconomic Models of Short-Run Economic Fluctuations	Chapter
1. Static Models	
1.1 Demand-Side	
• The Open Economy	5
• The Open Economy Revisited: The Mundell-Fleming	12
1.2 Supply-Side	
• Aggregate Supply and the Short-Run Tradeoff between Inflation And Unemployment (including Appendix)	13
2. Dynamic Models	
• A Dynamic Model of Aggregate Demand and Aggregate Supply	14
Part II: Macroeconomic Policy Debates	
1. Stabilization Policy	15
2. Government Debt and Budget Deficits	16
Part III: Economic Growth	
1. Economic Growth I: Capital Accumulation and Population Growth	7
2. Economic Growth II: Technology, Empirics, and Policy	8
Part IV: The Microeconomics behind Macroeconomics (If time permits)	
1. Consumption	17
2. Investment	18
3. Money Supply and Money Demand	19