

Economics 203 Lec 2 (Principles of Macroeconomics)

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Office Hours:	F 13:00-14:00	Fall 2017	

Pre/co-requisite: Econ 201 or consent of the Department. While not required for admission, Department of Economics recommends that students complete Math 30-1 (Pre-Calculus) before entering the program. As such, this course assumes at least that level of mathematics.

Course Description: This course is the second part of the introductory economics sequence. I believe most of you have heard some terms like GDP, inflation, unemployment, or maybe some mysterious words like “productivity.” These are terms we frequently use when we talk about our economy. You may wonder why GDP goes up and down every so often, and can a government do anything about it? Why do we need to care about inflation? Can a government create jobs and hopefully reduce unemployment? By the way, what is productivity? and how is it measured? These are some questions we want to address in this course.

After the principles of “micro”-economics covered in the first part (Econ 201), this course covers those “macro”-aspects of economics. After studying how key macroeconomic variables are defined and constructed, we study how these variables are related using a simple tool, which we call a “model.” Then, we will study how this simple model can be extended for investigating some dynamic phenomena, like economic growth and business cycles. Learning how these models work gives us a useful tool for addressing questions such as above as well as for studying more applied topics, such as trade, environment, and development issues. We will touch upon these applied topics as well, hoping to motivate and guide your future study in the department. (Topics to be covered depend on student interests and time constraints.)

The course is mostly based on the lectures, but I would encourage student participation in the form of in-class questions and discussion as well as office hour visits.

Course Objectives/Learning Outcomes: As the Course Description suggests, economics theory is a collection of ways of organizing “economic” variables (i.e., data on GDP, inflation, unemployment) and ways of thinking about the relationship between those variables. Given this fundamental notion of economics theory, I’ll put forth the following as the course learning outcomes.

After successfully completing the course, students should be able to:

1. *describe key macroeconomic variables, such as GDP, inflation rate, and unemployment rate,*
2. *explain how those variables are related (modeling), using simple graphs and possibly formulas,*
3. *identify important modeling assumptions and understand their limitations,*
4. *analyze how economic policies affect the relationship among macroeconomic variables, and*
5. *critically analyze, evaluate and discuss the real world economic issues using simple economic model.*

Throughout this course, I encourage you to be critical not only about what you learn but also about what you thought you knew. Knowing what you don't know and you don't really understand is crucial for successfully continuing your undergraduate study in whatever subject.

What you will learn in this course is arguably bare minimum about what (macro)economics can teach you, but you should still be able to develop a consistent argument and make informed criticism about economic debates you see in news media.

Though mathematical modeling and analysis will be an essential tool for the upper level courses in economics, competence in mathematics is not essential for passing this course. The tests will not involve much mathematics, if at all. However, I will not shy away from showing in my lectures how mathematics can be used in economics, and as such students are encouraged to embrace mathematical nature of economics inquiry throughout the course.

Finally, the course is open to all students not only from Economics department but also from other departments/faculties. For economics students, this course is an important basis of further study in intermediate macroeconomics theory sequences (Econ 303/359). For students from outside economics, this course may encourage you to study economics more, and who knows, even switch to economics major! In any case, this course provides the minimal knowledge for making intellectual conversation about macroeconomics.

Textbooks: I follow the contents of the following textbook fairly closely:

- Ragan, Christopher T.S. *Macroeconomics: Fifteenth Canadian Edition*. Pearson (**Required**)

This course will make use of *MyEconLab* of the textbook for online assignments. *MyEconLab* also has the *News* feature through which you can find a few economic news articles related to our lecture topics.

Additional learning resources will be suggested and posted on the D2L throughout the course.

Outline:

1. Foundation and review of basic microeconomics: Chapters 1~3 (1 week)
2. Introduction to macroeconomics: Chapters 19~20 (1 week)
3. The economy in the short run: Chapters 21~23 (3 weeks)
4. The economy in the long run: Chapters 24~25 (3 weeks)
5. Money, Banking, and Monetary Policy: Chapters 26~28 (2 weeks)
6. Macroeconomic Problems and Policies: Chapters 29~31 (2 weeks)
7. Challenge facing the developing countries: MyEconLab Chapter 35W (1 week)

Allocation of weeks are fairly optimistic and to be flexible depending on how fast and slow I will cover each chapter. I will very likely go pretty slow... As long as we can cover the core topics 1 through 4, I would be happy.

Important Dates:

- September 11 (Mon) First lecture (Do not miss!)
- October 9 (Mon) Thanksgiving Day (No lecture)
- October 13 (Fri) **Midterm 1**
- October 23 (Mon) Guest lecture (TBA)
- November 10 (Fri) Midterm Break (No lecture)
- November 13 (Mon) Midterm Break (No lecture)
- November 22 (Wed) **Midterm 2**
- December 6 (Wed) Last lecture (Do not miss!)
- December 8 (Fri) **In-class final**

Attendance throughout the semester is not required for passing the course. However, the first lecture is **extremely important** as I will provide essential information about how to survive at least, hopefully succeed, and most importantly enjoy the course. If you plan to take my course, **do not** miss the first lecture.

Lecture Rule: No cell phones and laptops are permitted during the lecture. If you violate this rule consistently, you will be removed from the lecture.

E-mail Policy: To avoid confusion that is often created by email messages, I **WILL NOT** respond to any questions sent by email regarding the course materials. Please come to the office hours for those questions.

Desire2Learn: This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Tutorial: Teaching assistant will hold weekly TA tutorial during the tutorial hour (Schedule TBD). TA sessions are indispensable and integral components of the course. The TA will go over online assignments and related questions you can find in MyEconLab together. As my E-mail policy implies, TA will also not respond to your email communication regarding the course materials. In addition, TA is not responsible for your question outside of the designated tutorial time. You are advised to refrain from asking the TA regarding the course materials outside of designated occasions.

Assessment and Grade Determination: Student performance will be evaluated through a collection of online assignments (worth 20%), two standard midterms (30% each), one writing assignment (10%), and one in-class final (10%). The online assignments and midterms intend to assess your learning outcomes 1-4, while the writing assignment and in-class final, both one-page critique of economics news article, intend to assess your learning outcome 5. More details are explained in the first lecture.

Late work will not be accepted, and there will be no make-up or deferred exams. The course grade is calculated using the weights indicated above and then converted to letter grades according to the official grading system: See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>. To indicate the student progress throughout the semester, a letter grade that corresponds to the above table is provided to each component of your work (assignments and midterms).

- A passing grade on any particular component of the course is not required for a student to pass the course as a whole.
- As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work.
- Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during his office hours.
- Tests and exams **WILL NOT** involve multiple choice questions. Non-programmable calculators **WILL NOT** be allowed during the writing of tests or final examinations.
- There **WILL NOT** be a registrar scheduled final examination.
- THERE WILL BE NO MAKEUP OR DEFERRED TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

Reappraisal of Grades and Intellectual Honesty:

- For reappraisal of graded term work, see <http://www.ucalgary.ca/pubs/calendar/current/i-2.html>
- For reappraisal of final grade, see <http://www.ucalgary.ca/pubs/calendar/current/i-3.html>
- Statement of Intellectual Dishonesty, see <http://www.ucalgary.ca/pubs/calendar/current/k-4.html>
- Plagiarism and Other Academic Misconduct, see <http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

Evacuation Assembly Point: In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The assembly point for this classroom is **MacEwan Student Centre-North Court**

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2017/08/10