



## Department of Economics Course Outline

**Term:** Summer 2004

**Course:** Economics 303  
[Inter Economic Theory Macroeconomics I]

**Section:** 60

**Time:** MW 14:00 ? 16:50

**Place:** ST 126  
(subject to change)

**Instructor:** Karl Pinno

**Office:** SS 415

**Telephone:** 220-5859

**Office Hours:** MW 13:00 ? 14:45

**E-Mail:** [kpino@shaw.ca](mailto:kpino@shaw.ca)

### **Textbook(s):**

*Macroeconomics*

, Dornbusch, Fischer, Startz, Atkins, & Sparks, McGraw Hill Ryerson, 7th Canadian edition.

*Study Guide to Accompany Macroeconomics*

, Rutledge, Magee, Atkins, McGraw Hill Ryerson, latest Canadian edition.

### **Book(s) on Reserve:**

*Macroeconomics*

, Dornbusch, Fischer, Startz, Atkins, & Sparks, McGraw Hill Ryerson, 6th Canadian edition.

### **Course Outline:**

I will be following the textbook reasonably closely. I have provided chapter references for each topic. It would be helpful

to acquaint yourself with the course web page. This can be found by going to the Department of Economics web page at <http://econ.ucalgary.ca/> . From here click on undergraduate, and go to Timetables, Outlines and Home Pages. I will post important announcements (eg. dates for assignment and midterms), as well as copies of the assignments and solutions, and background notes for some course material.

## **1. Introduction**

- (a) Markets, Models and Time Frames
- (b) A Look at the Data

*Text: Chapter 1*

## **2. National Income Accounts**

*Text: Chapter 2. This is considered to be review of Econ 203, and, as such, I will not deal with this material explicitly in class.*

## **3. A Long-Run Classical Approach to the Economy**

- (a) The Production Function and the Labour Market (Supply)
- (b) Savings Consumption and Investment (Demand)
- (c) The Quantity Theory of Money

*Text: Chapter 3*

## **4. Introduction to Trade and Exchange Rates**

- (a) The Balance of Payments Accounts
- (b) Savings and Investment in a Small Open Economy
- (c) Exchange Rates
- (d) Purchasing Power Parity

*Text: Chapter 5*

## **5. A Short-Run Keynesian Approach to the Economy**

- (a) Business Cycles and The Economy

*Text: Chapter 6, Sections 6-1 and 6-2.*

(b) Income and Spending

*Text: Chapter 10; This is considered to be review of Econ 203, and, as such, I will not deal with this material explicitly in class.*

(c) The IS/LM model

*Text: Chapters 11 and 12.*

## 6. Short Run Open Economy Macroeconomics

(a) Capital Mobility

(b) Perfect Capital Mobility and Fixed Exchange Rates

(c) Perfect Capital Mobility and Flexible Exchange Rates

(d) Interest Differentials and Exchange Rate Expectations

*Text: Chapter 13*

### Grade Determination and Final Examination Details:

Two Assignments	@ 10% each	20%
Two Midterms	@ 20% each	40%
Final Examination	(2 Hours)	40%

The dates for the assignments and the midterms will be announced in the first week of classes.

Tests and final exams are marked on a numerical (percentage) basis, then converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	95 ? 100	B+	77 ? 79	C+	67 ? 69	D+	56 ? 59
A	85 ? 94	B	73 ? 76	C	63 ? 66	D	50 ? 55
A-	80 ? 84	B-	70 ? 72	C-	60 ? 62	F	0 ? 49

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor, *at the instructor's discretion*, feels it is necessary to more fairly represent student achievement.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Non-programmable calculators will be allowed during the writing of tests or final examinations.

There will be a Registrar scheduled final examination, lasting 2 hours, and held in a classroom.

Tests and exams will not involve multiple choice questions.

## **R-E-S-P-E-C-T**

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I assume that the reason you are attending my class is to endeavour to acquire an understanding of macroeconomic theory and policy. It has been my experience that this task is made much easier and far more enjoyable for all involved (me included) if we can maintain a relaxed but respectful atmosphere in the classroom. For my part, maintaining such an atmosphere requires that I be respectful of your time, your questions, and your concerns. I will therefore strive to be on time for lectures and office hours, answer your questions as well as I am able, and listen to your concerns. For your part, maintaining a respectful atmosphere requires that you avoid being late for class, that you refrain from leaving before the lecture ends, and that you not talk when either I or one of your classmates is speaking.

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## **Notes:**

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor within one week of the work being returned to the class.
- Students should be aware of the importance of appropriate sequencing of their courses to meet all the graduation requirements, especially in the Honours program. Honours students should complete Math 249 or 251, and Math 211 no later than the second year. This is very important because these courses are prerequisites for Econ. 387/389, which in turn are prerequisites for Econ. 557/559. Also, Stat. 213 should be completed no later than the third year because it is a prerequisite for Econ. 315, which in turn is a prerequisite for Econ. 419. We suggest that you consult the Calendar, and the brochure. "Undergraduate Programs in Economics". If you still need help you should speak with a Student Advisor in the Economics Department.

Safewalk / Campus Security: 220-5333

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KP/pml

2004-04-26