

Econ209: Macroeconomic Analysis & Applications (Section 001)

Monday & Wednesday, 4:05 - 5:25

Stuart Biology, Room S1/3

(Less Monday Sept. 6 & Oct. 11, plus Friday December 3)

Professor: Paul Dickinson

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A: Course Content

The course covers the basics of economic theory and policy at the level of the whole economy - the *macroeconomic* level (e.g. national income, economic growth, employment/unemployment, prices & inflation, exchange rates, monetary and fiscal policy). It is aimed at people not currently specializing in economics at the majors or honours level. You should have already done microeconomics (Econ208 or equivalent): if not, see me **soon** for advice.

I **strongly** recommend that you keep up with the readings as the lectures progress - don't leave them until exam time! Economic reasoning builds upon itself, so you need to understand each part as we go along. Lectures, conferences and lecture notes are very important - in case you must miss a lecture or conference, arrange a 'buddy system' so you can copy the notes of someone who does attend. Some examinable material covered in lectures may not be in the text. Lecture notes and answers to conference questions will not be posted on the *myCourses* web site.

B: Text & Learning Tools

The text for this course is *Macroeconomics, 13th Canadian Edition*, by Ragan & Lipsey (Pearson Addison Wesley 2011), along with its associated *Study Guide* (by Dickinson *et. al.*). These are available at *Paragraphe* bookstore on McGill College Avenue. Other readings will be posted on the *myCourses* web site (check it often) or will be available through the text's own web site on *MyEconLab*, at www.myeconlab.com. Note the following:

- The text's integrated *Study Guide* has summaries of each chapter (which does NOT mean you needn't read the chapter!), useful study tips, and lots of practice questions and correct answers (with explanations) for multiple-choice questions, short-answer questions and longer exercises to help you understand the material.
- The text's *MyEconLab* site has explanations for a selection of end-of-chapter exercises/questions, and some short practice quizzes. It is not a substitute for the *Study Guide*: the latter has many more questions of varying degrees of difficulty, & explanations of answers and chapter summaries. (See Text Information page on the course website.)
- After the course starts we are expecting you will be given free access to a short-term subscription of *The Economist* weekly news magazine.

You should regularly check the *myCourses* WebCT page for announcements, up-to-date information, additional readings, conference topics, and other items to assist you in the course. Through this web page you will also be able to ask questions of and receive answers from your fellow students in the course.

C: Contacting Me

My office is Leacock Room 516. Initially I will hold office hours between 1:00 and 3:00 on Wednesday afternoons. This time slot may be changed once I know the TA's schedule. The TA also holds office hours. If you need to see us and can't make any office hours, email a request to arrange a mutually convenient time (paul.dickinson@mcgill.ca) and include (i) a copy of your weekly schedule and (ii) a brief explanation of what you need to talk about. (*Note*: Email gets a quicker response than a telephone call (514-398-4843), and many voice mail messages are unintelligible when played back. Use email, not the 'phone.)

D: Conferences

TAs hold weekly conferences on assigned topics. Material covered in conferences is subject to examination even if it is not done in lectures - so you are **strongly** advised to attend. Conferences are expected to start in the 3rd week of semester. Conference rooms, conference times and weekly conference questions will be posted on *myCourses*.

E: Grading/Examinations/Conduct

There will be two online quizzes each worth 10% of your course grade, and a 3-hour final scheduled by the Faculty of Arts in December. Only the quizzes on which you get a higher percentage than the final will be counted, so the final may be worth 80%, 90% or 100% of your course grade. Under no circumstances will you be allowed to present additional work to increase your grade in the course. Regardless of the reason for not completing an online quiz there will be no deferred quiz. The quizzes will be done through the course WebCT page, preferably on a McGill computer. Any collaboration whatsoever is forbidden. There will be a 5-minute window for logging onto a quiz, after which you can't log in, you can't do the quiz, and you can't get any marks for it. Anticipated dates & times are:

Quiz #1: Tuesday October 12, 7pm - 8pm

Quiz #2: Tuesday November 16, 7pm - 8pm

University regulations require that you be reminded of the following:

McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see <http://www.mcgill.ca/integrity> for more information). According to Senate regulations, instructors are not permitted to make special arrangements for final exams. Please consult the Calendar, section 4.7.2.1, General University Information and Regulations at www.mcgill.ca.

F: Course Outline and Readings

Week numbers are estimates and may change. Chapter references implicitly include any additional topics on *MyEconLab* that are assigned in lectures and made available through the course web site.

1: The Credit Crunch		Week 1
* Readings from course WebCT (<i>myCourses</i>) page		
2. Introduction to Macroeconomic Issues		Week 2
* Context and concepts	(Chap 1)	
* Macroeconomic aggregates	(Chap 19)	
* National income accounting	(Chap 20)	
3. The Economy in the Short Run		Weeks 3 & 4
* The simplest model	(Chap 21)	
* Adding government and trade	(Chap 22 & Appendix 22)	
* Aggregate demand, supply and short-run equilibrium	(Chap 23)	
4. The Economy in the Long Run		Weeks 5, 6 & 7
* Actual output, full-employment output, & factor prices	(Chap 24 pp.591-605)	
* Government fiscal policy	(Chap 24 pp.605-616)	
* Long-run vs. short-run influences on domestic output	(Chap 25)	
* Economic growth	(Chap 26)	
5. Money, Banking, and Monetary Policy		Weeks 8 & 9
* The nature of money	(Chap 27 pp.671-679)	
* The Canadian banking system	(Chap 27 pp.679-688)	
* Money creation and the money supply	(Chap 27 pp.688-end)	
* How changes in the money supply affect real output	(Chap 28)	
* How monetary policy works in Canada	(Chap 29 pp.728-749)	
* Three decades of Canadian monetary policy	(Chap 29 pp.749-end)	
6. Macroeconomic Problems & Policies		Weeks 10 & 11
* Inflation and inflation control	(Chap 30)	
* Unemployment	(Chap 31)	
* Government debt and deficits	(Chap 32)	
7. International Macroeconomics		Weeks 12 & 13
* Exchange rates and the balance of payments	(Chap 35)	
* Trade policy	(Chap 34 pp.867-875)	

In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.