

St. Francis Xavier University
Faculty of Arts
Department of Economics

ECON 102: Introductory Macroeconomics (Sections 21 & 22)

Instructor: Greg Tkacz

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Office Hours: Monday 11:15 – 12:15
Tuesday: 9:00 – noon
Wednesday: 10:00 – 11:00
Or by appointment

Classes:	<u>Section 21</u>	<u>Section 22</u>
	W4/W5 block	W1/W2 block
	Monday 12:45 to 14:00	Monday 9:45 to 11:00
	Wednesday 11:15 to 12:30	Wednesday 8:45 to 9:30
	Schwartz 110	Mulroney Hall 2070

Description

This course provides an introduction to macroeconomic concepts. Students will learn about national income accounting and the components of the national economy; the role of money in the economy; inflation; unemployment; the AS-AD model; and how to analyze the impacts of government policies on the economy.

Objectives and Learning Outcomes

The course has two main objectives:

- (1) To introduce students to basic macroeconomic tools that will provide them with the required economic literacy to help them understand current macroeconomic issues.
- (2) To prepare students for further study of macroeconomics at an intermediate level.

Prerequisites

ECON 101 is recommended, but not required. Read the first three chapters of the textbook if you haven't taken ECON 101, or if you need a quick microeconomics refresher.

Textbook

Greenlaw, S.A. and D. Shapiro (2019) *Principles of Economics*, 2nd Edition, Openstax.

This is a FREE e-book that can be downloaded from the following site:

<https://openstax.org/details/books/principles-economics-2e>

Since this is an American textbook, additional resources will be posted on Moodle to “Canadianize” some of the material.

Course Outline

Part 1: Macroeconomic Data and Essential Definitions

Chapter 19: The Macroeconomic Perspective (measuring the size of the economy)
Chapter 21: Unemployment
Chapter 22: Inflation

Part 2: Explaining Economic Growth and Inflation in the Short- and Long-Run

Chapter 20: Economic Growth
Chapter 24: The Aggregate Demand/Aggregate Supply Model
Chapter 25: The Keynesian Perspective (the Short-Run)
Chapter 26: The Neoclassical Perspective (the Long-Run)

Part 3: Macro-Financial Issues: Money, Interest Rates and Exchange Rates

Chapter 29: Exchange Rates and International Capital Flows
Chapter 27: Money and Banking

Part 4: Government Policies (Time permitting)

Chapter 28: Monetary Policy and Bank Regulation
Chapter 30: Government Budgets and Fiscal Policy

In addition to the assigned textbook chapters, we will motivate the class material with recent news articles related to the economy. These articles will be discussed in class, and content from some of these may appear on quizzes and exams, so it’s therefore essential that students attend all lectures to succeed in this course. Articles discussed in class could be published mere minutes prior to the beginning of class, thereby making this a “real-time” course. Consequently the number of articles that students are expected to read will vary according to the nature and severity of economic events that occur this semester.

Course Style

This is an interactive lecture-based course, designed to build an analytical toolkit that will help students understand how the economy operates. This toolkit will be graphical in nature, and as you take more advanced Economics courses in the future, the toolkit will evolve from graphs to mathematical equations.

To properly understand how to use graphs to study macroeconomic issues, it is imperative that students write these out themselves in order to see the starting equilibrium point, understand which curve (or curves) shifts, and then track the changes to the new equilibrium. This is the only way to learn what is happening – memorizing graphs won't help you on quizzes and exams.

Consequently, I will be drawing these graphs myself on the overhead projector, and you will be copying the steps in your notes. I will be explaining the steps in a lot of detail to help you understand what is happening. Pen and paper are therefore the essential tools to bring to class, since producing these graphs (of which there will be many) on a laptop will be too time-consuming.

Many of you will initially be puzzled by the material, so don't be afraid to ask questions in class for clarification.

Class notes, which will be scanned versions of my hand-written overhead projector notes, will be posted on Moodle a few days after the completion of each chapter. Thus, to ensure you have a more timely set of notes, you should endeavor not to miss any classes.

Evaluation

The course grade is based on:

1. Three in-class quizzes (3 @ 16.67% each = 50% of final mark)
2. Final exam (50%)

The in-class quizzes will NOT be cumulative. The final exam, to be scheduled by the examinations office in April, will be cumulative.

Preparing for the Quizzes and Final Exam

Practice problems will be assigned for each chapter, although these do not need to be handed-in. Solutions to some problems will be discussed in class.

Economics Help Centre

Upper-year students will staff an Economics Help Centre, where you can drop-in for additional help with practice problems or the course material. Detail on the operating hours will be provided later in January.

Quiz Dates

Quiz #1: Monday, January 27 (snow date: January 29)

Quiz #2: Monday, February 24 (snow date: February 26)

Quiz #3: Wednesday, March 18 (snow date: March 23)

Missed a Quiz?

You are strongly urged NOT to miss any quizzes – they represent timely feedback on your grasp of the material. Given that you are only being evaluated on your knowledge of the course material on four specific days out of the next 100 or so, you really should make an effort to be present on the quiz days.

However, should you miss a quiz, you will have an opportunity to write a make-up quiz on WEDNESDAY APRIL 1. This is the ONLY date on which you can write a make-up quiz. Three different make-up quizzes will be prepared (one each related to the material of quizzes 1, 2, and 3), and you will only write the quiz you missed. If you missed two quizzes during the term, you can pick which of the two you will write on that day.

If you miss ONE in-class quiz

- A. If you miss ONE quiz for WHATEVER REASON, you will have an opportunity to write a make-up quiz in class on Wednesday April 1. Your grade will then be based on the three quizzes written (50%) and the final exam (50%)
- B. If you miss ONE quiz for WHATEVER REASON, and you DO NOT write the make-up quiz on April 1, the weight of the missed quiz will automatically be added to your final exam. Your grade will therefore be based on the two quizzes written (33.33%) and the final exam (66.67%)

If you miss TWO in-class quizzes

- A. If you miss TWO quizzes for WHATEVER REASON, you will have an opportunity to write ONE make-up quiz in class on Wednesday April 1. Your grade will then be based on the two quizzes written (33.33%) and the final exam (66.67%)
- B. If you miss TWO quizzes for WHATEVER REASON, and you DO NOT write the make-up quiz on April 1, you will be given a grade of ZERO for one of the quizzes. Your grade will then be based on the one quiz written (16.67%), and the final exam (66.67%). Consequently, the highest grade you could achieve in the course would be 83.33%.

If you miss THREE in-class quizzes

- A. You will not be given an opportunity to write the make-up quiz, nor the final exam, and you will automatically receive a grade of ZERO for this course.

Useful Websites

Economic News

- The Globe and Mail: <http://www.theglobeandmail.com>
- The National Post: <http://www.nationalpost.com>
- The (Halifax) Chronicle-Herald: <http://thechronicleherald.ca>

Economic Data

- Statistics Canada: <http://www.statcan.gc.ca>
- Federal Reserve Bank of St. Louis: <http://fred.stlouisfed.org>

StFX Economics

- Economics Department Home Page: <http://www2.mystfx.ca/economics>
- Greg Tkacz Home Page: <http://www.tkacz.ca>