About the Course

The goal of the course is to teach students how to take an “economic approach” to analyze complex policy issues and current events. This will involve using some maths to better understand how macroeconomic theories work, how they are applied, and their limitations. At times, this approach will require working with appropriate data sources, preparing graphs or tables, performing some calculations and interpreting the results. Ultimately, one of the skills we are trying to teach is the ability to understand how economic policy and shocks affect the economy, as reflected in macroeconomic variables such as output, interest rates, prices and employment. What defines macroeconomics is mainly a broader perspective on economic phenomena, and the types of questions that are posed. We will look at the economy as a whole, rather than its specific details. We will address the following questions: What determines inflation? What determines interest rates? How does the Bank of Canada influence the economy? What determines output, employment, consumption and investment in the long run? What are the causes and appropriate policy responses to business cycles?

Textbook


Purchasing Options:
- One Semester Online Access & One Semester LaunchPad ISBN – 9781319113018 *(Cheapest)*
- Full Bound Text & One Semester LaunchPad Access ISBN – 9781319127428 *(Most Expensive)*

I encourage you to make an informed choice when buying the text. I have tried to create multiple price points. LaunchPad includes extra multiple choice questions, solutions to text problems and interactive learning activities. *It is not mandatory for any of your course requirements.* Keep in mind that you may be able to sell the text used as I am teaching the class again next semester. You cannot resell the online text as it includes access for just the semester.

I will post some lecture slides, notes and other materials on the course website. Please note that lecture slides will be partial and you are responsible for all material covered in lecture.
**Grading**
There are two grading schemes for the course and your mark will be determined by the higher of the two. To pass the course you must obtain a score of at least 50% on the final exam.

<table>
<thead>
<tr>
<th>Component</th>
<th>Scheme 1</th>
<th>Scheme 2</th>
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<tbody>
<tr>
<td>Problem Sets</td>
<td>10% (Based on best 3)</td>
<td>0%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Midterm 1</td>
<td>Best 20%, Worst 10%</td>
<td>Best 30%, Worst 20%</td>
</tr>
<tr>
<td>Midterm 2</td>
<td></td>
<td></td>
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<tr>
<td>Final Exam</td>
<td>50%</td>
<td>50%</td>
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**Quizzes:** There will be weekly short quizzes. The purpose of these quizzes is to test general terminology and concepts on a weekly basis. These quizzes will be graded for marks but I will not limit the number of attempts. In an ideal situation, students would skim the chapter and do the quiz **before** the material is presented in lecture. The idea being that our time together will be optimised in this way. Each attempted quiz is worth 1 point towards your quiz grade in scheme 1.

**Problem Sets:** There will be four problem sets. These problem sets will contain four or five questions each and will be designed to help prepare you for the exams. You are required to attempt all of the questions on a problem set. Only one problem will be “graded” by the TA to determine your assignment grade. This problem will be chosen at random in class. I will provide detailed solutions to all the problems.

Provided that you have submitted a complete attempt, your grade will be determined based on the graded question, with the minimum grade being 5/10 for a completed attempt. As well, your worst problem set grade will be "dropped". If you wish, you may submit your problem set in a group of up to 4 people. However, it is recommended that all students work through all problems and solutions as these problem sets are truly the best way to study for the exams. **I cannot guarantee that you will have your problem sets back before the relevant midterm, but I will post detailed solutions.** I recommend you take a picture or photocopy your problem set before you hand it in to compare to the solution.

**Exams:** The midterms are not cumulative while the final exam is cumulative. In order to pass the course you must obtain a minimum of 50% on the midterm portion of your grade and at least 50% on the final exam. For example, the average of your two midterm scores must be greater than 50%. **If your midterm average is less than 50% but you show considerable improvement between midterm 1 and midterm 2 I will consider waiving this requirement.**

There will be no make-up midterms. If a student has a valid reason for missing a midterm then the weight of that midterm will be shifted to the remaining one.

Deferred final exams will be given only on the basis of documented family illness or family afflictions. Documentation is required.

Grade concerns should be brought the instructor as soon as possible. After one week your grade is final.

**Grading Scale:**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A+</td>
<td>90-100</td>
</tr>
<tr>
<td>A</td>
<td>85-89</td>
</tr>
<tr>
<td>A−</td>
<td>80-84</td>
</tr>
<tr>
<td>B+</td>
<td>77-79</td>
</tr>
<tr>
<td>B</td>
<td>73-76</td>
</tr>
<tr>
<td>B−</td>
<td>70-72</td>
</tr>
<tr>
<td>C+</td>
<td>65-69</td>
</tr>
<tr>
<td>C</td>
<td>60-64</td>
</tr>
<tr>
<td>D</td>
<td>50-59</td>
</tr>
<tr>
<td>F or N</td>
<td>0-49</td>
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Students should review the University’s more detailed summary of grading.

Course Policies
This course adheres to the Undergraduate Course Policies of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Students with a disability
- Term assignments and debarment from examinations
- Travel plans
- Waitlists

The following policies are explicitly included because of their importance.

Examinations
Attendance at all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. In the event of a missed final examination, students are advised to follow the procedures outlined in the University Calendar.

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

Waitlist Policies

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not show up in the first seven calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course, and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

Academic Integrity
Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the Policy on Academic Integrity in the University Calendar, is subject to penalty by the University.

Review What is Plagiarism for the definition of plagiarism. Note: Submitted work may be checked using plagiarism detection software.

University Policy on Human Rights, Equity and Fairness
The University is committed to promoting, providing and protecting a positive, supportive and safe learning and working environment for all its members.

See General University Policies
**Accessibility & Health Resources**

**Centre for Accessible Learning**

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, you are free to approach me; however, you must register with the Centre for Accessible Learning (CAL) for formal arrangements to be made. The CAL staff are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

**Health Services** - University Health Services (UHS) provides a full service primary health clinic for students, and coordinates healthy student and campus initiatives.

**Counselling Services** - Counselling Services can help you make the most of your university experience. They offer free professional, confidential, inclusive support to currently registered UVic students.

**Elders' Voices** - The Office of Indigenous Academic and Community Engagement (IACE) has the privilege of assembling a group of Elders from local communities to guide students, staff, faculty and administration in Indigenous ways of knowing and being.

**CourseSpaces**

- CourseSpaces is used extensively for the course. All students are expected to be fully functional with the system.
- The lecture notes and additional materials will be posted in CourseSpaces. Please note that the lecture notes online are only outlines of the actual lectures.
- All announcements will be posted in CourseSpaces. Students are advised to check it frequently.

**Course Experience Survey (CES)**

I value your feedback on this course. Towards the end of term you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to the CES log-in. You will use your UVic NetLink ID to access the survey, which can be completed on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

- What strengths did your instructor demonstrate that helped you learn in this course?
- Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
- Please provide specific suggestions as to how this course could be improved.

**Repeating Courses**

Be aware of the policy regarding the repeating of courses; see University Calendar.

In order to request permission to attempt this course for the third time, you must follow the instructions provided under the Repeating Courses policy on the Economics website. Failure to obtain permission will result in deregistration from the course.
Course Schedule

Topic 1: Introduction and Measurement

- Introduction to Macroeconomics
  o Chapter 1
- The Data of Macroeconomics
  o Gross Domestic Product (Chapter 2.1)
  o Inflation and the Price Level (Chapter 2.2)
  o Unemployment and Labour Market Statistics (Chapter 2.3, Chapter 6.4-6.5)

Topic 2: The Economy in the Long Run

- National Income and Distribution
  o Aggregate Supply (Chapter 3.1)
  o Factor Prices and Income Distribution (Chapter 3.2)
  o Our First Model of the Macroeconomy (Chapter 3.3-3.4)

Problem Set 1 Due (Week 3)

- Money and Inflation
  o What is Money (Chapter 4.1)
  o The Quantity Theory (Chapter 4.2)
  o Inflation, Interest Rates and Money Demand (Chapter 4.4-4.5, 19.2*)
  o Costs and Benefits of Inflation (Chapter 4.3, 4.6-4.7)
  o The Bank of Canada (Chapter 19.1)*
- The Open Economy
  o National Income Accounting in the Open Economy (Chapter 5.1)
  o Extending the Model to the Open Economy (Chapter 5.2)
  o Exchange Rates (Chapter 5.3)

Problem Set 2 Due (Week 5)

- Investment and Consumption
  o The Consumption Function: A History (Chapter 17.1-17.4)*
  o The Business Investment (Chapter 18.1)*
  o Residential Investment (Chapter 18.2) *

Midterm 1 (Week 6) Outside of Class Time. Time and Place TBD.

Topic 3: Business Cycles

- Introduction to Business Cycles (Chapter 9)
- Aggregate Demand: The IS-LM Model
  o The Goods Market (Chapter 10.1)
  o The Money Market (Chapter 10.2)
Short Run Equilibrium (Chapter 10.3)
Fiscal Policy in the IS-LM Model (Chapter 11.1.1)
Monetary Policy in the IS-LM Model (Chapter 11.1.2)
Constructing the Aggregate Demand Curve (Chapter 11.2)
Case Study: The Great Depression and the Great Recession (Chapter 11.3)

Problem Set 3 Due (Week 9)

- Open Economy Business Cycles
  - The Mundell Fleming Model (Chapter 12.1)
  - Floating Exchange Rates (Chapter 12.2)
  - Fixed Exchange Rates (Chapter 12.3)
  - Case Study: Fixed vs. Floating Exchange Rates (Chapter 12.5)

Midterm 2 (Week 10) Outside of Class Time. Time and Place TBD.

- Aggregate Supply and the Phillips Curve
  - Wage Rigidity, Sticky Prices and Imperfect Information (Chapter 13.1, Chapter 6.3)
  - Inflation, Unemployment and the Phillips Curve (Chapter 13.2)
- Extra Topics*
  - Rules vs. Discretion in Monetary Policy and Automatic Stabilizers (Chapter 15.1)
  - The Lucas Critique
  - The Size of Government Debt in the US and Canada (Chapter 16.1, 16.3, 16.4)
  - The Financial System and Economic Crises (Chapter 20.1, 20.2)
  - Unconventional Monetary Policy

Problem Set 4 Due (Week 12)

*Time Permitting

E-mail correspondence
Emails should be limited to critical matters, such as inability to attend class, an exam, or prolonged illness, and should include the course name and number in the subject line. Questions on course material should be asked during office hours or in class. The standard format for writing a letter must be used. This means it should begin with a salutation (e.g. Dear….), include full sentences and it must conclude with a signature that includes your full name and V#. Text message lingo should not be used.

Electronic devices
You are allowed to bring electronic devices to class to assist with your learning experience. However, please no disruptive activity. Also, no photography or filming of class material.