

**Intermediate Macroeconomics  
Economics 2220A**

**Wednesday 6:30-9:30  
W106**

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**Prerequisite(s):** Economics 1021A/B and Economics 1022A/B; and 0.5 from Mathematics 1225A/B, Mathematics 1230A/B, Calculus 1000A/B, and 0.5 from Mathematics 1229A/B, Mathematics 1600A/B, Calculus 1301A/B, or Calculus 1501A/B.

**Course Description**

This is a first course in macroeconomic theory. The main goal of the course is to construct a model of an economy that can be used to explain the determination of national income, interest rates, employment and the price level.

The model will also be used to analyze basic fiscal and monetary policy.

The course will begin by constructing a labour market based on explicit microeconomic foundations. This approach is in line with all modern macroeconomic theory.

In the second section of the course, a market for real goods and services will be constructed based on the saving behavior of individuals and governments, and the real investment requirements of firms and individuals.

Asset and money markets will then be added. This will allow for the determination of nominal variables and financial markets.

In section three, the model will be completed by combining all three markets to determine a general macroeconomic equilibrium.

All of the above will be handled in the context of a closed economy. Open economy issues and long run economic growth will be covered as final topics.

This course will consist of lectures and discussions.

**Learning Objectives**

The main objective of this course is to learn the basic methodology of constructing a model for economic analysis

A second objective is to introduce how these models can be used to interpret the data that comes from economic agencies and the business community.

The third objective is to provide a glimpse of the overall scientific flavour of macroeconomics. This should give students intending to become professional economists or financial analysts an indication of what they will need to pursue in future studies.

**Textbook.** Abel, Bernanke and Kneebone, Macroeconomics ( Canadian edition) Pearson 2016. There will also be an OWL where additional material will be posted.

**Class Attendance. Attendance is required in this course**  
**Not all material is covered in the textbook. Classes will cover topics and techniques that make up an integral part of the course material. Much of this material is not repeated in the text.**

### **Course Outline**

#### **Section I**

- Chapter 2 The Measurement and Structure of the Canadian Economy
- Chapter 3 Productivity, Output, and Employment

#### **Section II**

- Chapter 4 Consumption, Saving, and Investment
- Chapter 7 The Asset Market, Money, and Prices

#### **Section III**

- Chapter 8 Business Cycles
- Chapter 9 The *IS—LM /AD—AS* Model: A General Framework for Analysis

#### **Section IV**

- Chapter 5 Exchange Rates, and the Open Economy.
- Chapter 6 Long-Run Economic Growth

***This is a tentative list of topics. Some topics may be deleted or added as the course progresses. Students are reminded that topics covered in class are subject to examination regardless of whether the material appears in the textbook or on the Webct site.***

### **Assessment.**

First Term Test .....25%  
Second Term Test..... 25%  
Final exam.....50%

### **Dates**

Test I..... October 3<sup>th</sup>  
Test II.....November 7<sup>th</sup>  
Final.....Determined by the registrar

All tests will **tentatively** be during class time and held in the V214.

**No makeup tests will be given.** A student who misses a test or a **quiz** must inform the professor PRIOR to the date of the test and provide documentation to the advising office (not the professor) and if this documentation is accepted as a valid reason for missing a test then (and only then) the weight of the missed test will be reallocated to the final exam. This is **the only method** of accommodation for missed tests that will be used in this course.



**The Appendix to Course Outlines is posted on the OWL course site.**