



ECO 201 *Macroeconomics* (3)
Winter 2004
Instructor: Alan Kwan

Contacting the Instructor

Office: Room 530

Office Phone: 410-2000 (6907)

Class Times: T, Th 1600-1715

Class Location: Room 517

Email Address: akwan@cbcts.ca

Course Description

Economics is about the study of resource allocation and macroeconomics studies issues concerning the national economies. Topics in this course include:

- 1) How do we measure economic activities and unemployment
- 2) Keynesian model of production
- 3) The impact of fiscal and monetary policies
- 4) The cause of inflation
- 5) Budget deficits

Course Objectives

By the end of this course students should

- 1) understand the forces determining macroeconomic variables such as GDP, inflation, unemployment, interest rates, and the exchange rate;
- 2) be familiar with macroeconomic terminology such as GDP, the multiplier, monetarism, the natural rate of unemployment (NRU or NAIRU) and fiscal policy;
- 3) be able to formulate and assess macroeconomic policy suggestions;
- 4) be capable to interpret and to evaluate media reports on the macroeconomy.

Required Texts

Macroeconomics: Canada in the Global Environment, M. Parkin and R. Bade, 5th edition, Pearson, 2003.

Course Schedule

Background materials (self-review)		[Ch. 1-3]
Introduction	Jan. 6	
* A First Look at Macroeconomics and Measuring Macroeconomic Variables	Jan. 8, 13, 15	[Ch. 19-20]
* Business Cycles, Unemployment and Inflation	Jan. 20	[Ch. 21]
* Keynesian Model and Expenditure Multipliers	Jan. 22, 27, 29	[Ch. 23]
Community Day – no class	Feb. 3	
* Aggregate Demand and Aggregate Supply	Feb. 5, 10	[Ch. 22]
Fiscal Policy	Feb. 12,	[Ch. 24]
Mid-term Break	Feb. 17, 19	
Fiscal Deficits, Balanced Budget Multiplier	Feb. 24	
Review	Feb. 26	
Mid-term Exam	Mar. 2	
* Money, Banking, and Interest Rates	Mar. 4, 9, 11	[Ch. 25]
Community Day – no class	Mar. 16	
* Monetary Policy	Mar. 18	[Ch. 26]
Fiscal and Monetary Policy Interactions	Mar. 23	[Ch. 27]
* Inflation	Mar. 25, 30	[Ch. 28]
* The Economy at Full Employment	Apr. 1	[Ch. 29]
Macroeconomic Policy Challenges (optional)	Apr. 8	[Ch. 31]
International Finance (optional)	Apr. 10	[Ch. 34]
Review	Apr. 13	

Course Requirements

Besides the mid-term and final exams, there will be 8 in-class quizzes at the end of each topic denoted with an asterisk (*). Each quiz will carry a weight of 3% while the students can only accumulate up to 20% towards their final grades.

Students need to familiarize themselves with current macroeconomic data and media reports as these will constitute the materials for class discussions.

Course Grade

Class Participation	10%
Quizzes (3% for each quiz, 20% maximum)	20%
Mid-term Examination	30%
Final Examination	40%

Important Notes

- When students miss a quiz or mid-term exam without a legitimate reason beyond their control (typically likes a medical reason with doctor's note), a mark of 0 will be assigned.
- When students miss a quiz with a legitimate reason, the average mark of other quizzes will be assigned.
- When students miss the mid-term exam with a legitimate reason, a make-up exam will be arranged within one week. If this arrangement is not possible, the weights will be reallocated as follows:

Class Participation	15%
Quizzes (3.75% for each quiz)	30%
Final Examination	55%