

GRANDE PRAIRIE REGIONAL COLLEGE
DEPARTMENT OF ARTS, EDUCATION & COMMERCE
L1C 2B20

INTERMEDIATE MACROECONOMIC THEORY I

INSTRUCTOR: EBBY ASLANI
OFFICE: C 423
PHONE: 539-2973
OFFICE HRS: Mon., Wed., Fri 11:00 - 12:00 or By appointment

WINTER 1996

COURSE OBJECTIVES:

To introduce students to the basic mathematical models used to analyze microeconomic problems. Attention will be paid to theories of aggregate consumption, investment behaviour, monetary and fiscal policies. In the framework of the course we will try to understand the on going problems of Canadian economy such as national debt, GST and the recent recession. We will spend some time on the problem of applying the fiscal policy as a solution to the economic recession of 91-92.

- * EC 1010 and EC 1020 are prerequisites. High school level of algebra will be used extensively in this course.

TEXTBOOK: Modern Macro-Economics, Fourth Edition., M. Parkin and R. Bade, Prentice-Hall, 1995.

Modern Macro-economics Study Guide, Fourth Edition, Parkin and Bade, Prentice-Hall, 1995.

- * Also, you may find it useful to review the following texts,

Micro-Economics, Fourth Edition, R. Dornbusch, S. Fisher, and G. Sparks, McGraw-Hill Ryerson, 1993.

Micro-Economics, The Canadian Economy, Hall, and Taylor Norton, 1991.

STUDENT EVALUATION:

Grade will be assigned on the bases of student performance in one 80-minute mid-term exam, one 3-hour final exam and a term paper. The exam's dates and weights are as follows:

Assignment #1	Friday, Feb. 2	10%
Mid-Term exam	Friday, Feb. 16	30%
Assignment #2	Friday, Mar 14	10%
FINAL Exam	April	50%

GRADE DETERMINATION:

All grades are first recorded as percentages. After the final exam, the weighted average (.3 mid-term exam, .1 for each assignment, and .5 final-exam) of the percentages will be converted to the college nine-point system. The final grades are not determined with reference to any curve. As well, at any point in time the student may find out exactly where he/she stands (compared with his/her goal).

COURSE OUTLINE:

I. INTRODUCTION

Ch. 1, 2, 3

II.	MICROFOUNDATIONS OF AGGREGATE DEMAND:	
	Consumption & Savings	Ch. 17
	Investment	Ch. 18
	Money & Asset Holding	Ch. 19
III.	AGGREGATE DEMAND FLUCTUATIONS	
	Aggregate Expenditure and Income - IS Curve	Ch. 4
	Aggregate Expenditure, Interest rate & Money - LM Curve	Ch. 5
IV.	MONETARY AND FISCAL POLICY	
	The IS - LM Model (Closed Economy)	Ch. 6
	The IS - LM Model (Open Economy)	Ch. 7
V.	GROWTH and FLUCTUATIONS in AGGREGATE SUPPLY	
	Capital, Technology & Economic Growth	Ch. 8
	The labour Market & Aggregate Supply	Ch. 9
	Unemployment	Ch. 10
VI.	THE NEW MACROECONOMICS	
	New Classical Macroeconomics	Ch. 20
	New Keynesian Macroeconomics	Ch. 21
VII.	MACROECONOMIC POLICY	
	Why Macroeconomists Disagree About Policy	Ch. 14
	Stabilizing the Canadian Economy	Ch. 15
	Stabilizing the World Economy	Ch. 16
VIII.	INFLATION, DEFICITS, and DEBTS	
	Inflation, Interest rates, and the Exchange Rate	Ch. 11
	Inflation and the Business Cycle	Ch. 12
	Public and Private Deficits and Debts	Ch. 13

NOTES:

1. It is strongly advisable that the appropriate chapters are read prior to each lecture since this is generally considered to be an important and helpful approach to the study of economics.
2. Failure to withdraw from the course before the official withdrawal deadline may result in an "F" grade because a mark of 0% will be assigned to the incomplete portion of the course work.
3. Absence from the class will not be accepted as a legitimate reason for failure to attend an exam on time.
4. Students are advised to consult the academic schedule, published in the College Calendar, as to the dates set aside for scheduling of final exams and not to make plans for travel, holidays, employment, etc., which would affect their availability to write an exam on any of those days until the final exam schedule is determined.
5. Students are encouraged to contact the instructor regarding any questions pertaining to course materials or their performance in the course. Remember that your instructor is here to help you learn, not to make things hard for you. It is a great pleasure to see you in the office for consultation and discussion regarding the course, whenever you feel the need.....

BEST WISHES