

EC 2820 Course Outline

Instructor:	Neil Hepburn	
Class Times:	MWF 14:00 - 14:50 (Room A212)	
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Office Hours:	MWF 11:00 - 12:00 (or by appointment)	<i>Winter 98</i>
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Introduction

This course delves into the subject of macroeconomics more rigorously than EC 1020 did. In this course we go beyond the simple exposition of those theories to look at how the theories fit together. Also, while the treatment of macroeconomic theory in EC 1020 seemed a bit too simplistic (and it was, for pedagogic reasons) this course will present macroeconomic theory in a more meaningful and realistic light.

The objectives for this course are as follows:

1. Prepare the student with an understanding of macroeconomic analysis.
2. Be able to use mathematical techniques of macroeconomic analysis to assess and answer macroeconomic theory and policy questions.
3. Prepare the student to assess fiscal and monetary policy on the basis of macroeconomic theory.
4. Be able to apply concepts from the course to analyse the effects of various policies as they relate to the market place.

Your Responsibilities

1. You are responsible for assigned readings before coming to class.
2. Regular attendance is a must for success in this course. The progression of material and ideas is sequential: What we do next week is based upon what we did this week.
3. If you must miss a class, it is your responsibility to get notes and handouts from someone else in the class.
4. Assignments are to be handed in by 4:30 on the day they are due. After this time they will be accepted but at a penalty of 5% per working day.
5. Please arrive for class prepared and on time. People coming in late are disruptive to the rest of the class. If you must arrive late, please gather your materials before entering the room to minimise the disruptions.
6. Please note that we will be making extensive use of high school algebra (yes, math 30 does have a purpose.) However, I will NOT be using calculus in this course.

Textbook

Parkin, Michael and Robin Bade. *Modern Macroeconomics, Fourth Edition*. Scarborough: Prentice-Hall Canada (1995).

Parkin, Michael and Robin Bade. *Modern Macroeconomics Study Guide, Fourth Edition*. Scarborough: Prentice-Hall Canada (1995).

In addition, the library has several other texts that may be of use to you as additional sources of information.

Additional Materials Needed

- Many of the assignments will require graphing, for this you must use graph paper so buy yourself a package of Hilroy 10cm to 1cm graph paper (available in the bookstore.)
- It just wouldn't be economics without graphs. In this course there are many. I would suggest that you get some coloured pens in the following colours: Red, blue, green, black, and orange. I will be using these colours in the graphs and illustrations I draw on the board. I will attempt to use the same colours for each graph part as an aid to your comprehension.

Course Requirements and Evaluation

There are four assignments and a term paper. The list of potential topics will be handed out in the third week. You must submit an outline for the paper by Friday February 19, 1998. Also, once you start on your paper, you can send me an electronic copy (preferably Word Perfect 8.0 but MS Word will also do) and I will read it over and make suggestions.

There are two midterm exams and one final exam. Each of the midterms covers material taken up to that point. the final exam covers material from the entire course with an emphasis on material taken since the second midterm. The exams are entirely written work, there is no multiple choice in this course.

Grade Weights and Grade Assignment

4 Assignments (5% each)	10.00%
Term assignment	20.00%
Midterm 1	15.00%
Midterm 2	15.00%
Final	40.00%
Total	100.00%

Grande Prairie Regional College uses a 9-point grading system (scores range from 1 to 9). However, due to the nature of this course and the course work, marking will be done on a percentage basis. Once the final grades have been calculated according to the weights above, I will convert the scores to stanine grades according the following chart.

Percent	Grade	Percent	Grade
$P > 90\%$	9	$50 \leq P < 57$	4
$80 \leq P < 90$	8	$45 \leq P < 50$	3
$72 \leq P < 80$	7	$26 \leq P < 45$	2
$65 \leq P < 72$	6	$0 \leq P < 26$	1
$57 \leq P < 65$	5		

If you believe that I made an error in marking your assignment, you can resubmit it to me. I will then go through and remark the entire assignment and make whatever adjustments are appropriate, whether in your favour or not.

Other Considerations for Success

- Any grade adjustments, if any, will be made at the end of the course. This will only happen in extreme circumstances. Adjustments will be done with the use of a *fudge factor* defined as follows:

$$ff = \frac{68}{\text{actual average}}$$

- Use all resources in the textbook: the index; end of chapter exercises; and solutions at the back of the textbook. Also, the study guide that accompanies the textbook is an excellent reference.
- Visit me during my office hours and other free times. It is imperative that you begin getting help sooner than later. Also, to make the best use of your time and mine, please have specific questions in mind before coming to see me. You might try writing down a list of

- questions for me. This will help you focus your attention on the areas that really need work.
- Get help from your peers by forming study groups. Meet regularly with a plan to discuss specific material and concepts. Discussion questions in the textbook can help to provide a focus for the study sessions.

Topics Covered and Sequence

- What is Macroeconomics?
- Measurement and monitoring of economic activity
- Business Cycles
- Aggregate Expenditure and Income
- Aggregate Expenditure, interest, and money
- Consumption and savings
- Investment
- Money and Asset Holding
- Policy influences on Aggregate Demand
- World influences on Aggregate Demand
- Capital, Technology and economic growth
- The labour market and Aggregate Supply
- Unemployment
- New Classical Economic Theory
- New Keynesian Economic Theory
- International monetary theory
- Inflation and the business cycle
- Public and Private deficits
- Why economists disagree
- Stabilising the Canadian Economy
- Stabilising the World Economy

Other Issues

- A detailed calendar of events will be handed out at the start of each month.
- Consult the survival guide for economics courses (handed out with the course outline.)
- Although I have set office hours, I prefer an open door policy. If you need to see me at some time outside of my office hours, please stop by my office. If I am not with someone else, I will gladly see you.
- There is a tremendous amount of material in the course outline, it may not be possible to get through it all, but we will try.
- Enjoy! After all, economics really is interesting.