

McGill University  
Department of Economics  
ECON 209 – 003: Macroeconomic Analysis & Applications (3 credits)  
Winter 2021

**Instructor**

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Office: Online on Zoom

Office hours: MW - 5:30 PM to 6:30 PM

**Class schedule**

MW – 4:05 PM to 5:25 PM

Online Lectures on Zoom

**Prerequisite**

ECON 208 or Equivalent

**Course objectives**

- To cover the basics of economic theory and policy at the level of the whole economy - the *macroeconomic* level (e.g. national income, economic growth, employment/unemployment, prices & inflation, exchange rates, monetary and fiscal policy). It is aimed at students, not currently specializing in economics at the majors or honors level.
- To provide a critical assessment of the different economic policy measures and packages put forward nationally and internationally, in order to deal with such issues and problems.

## Course evaluation

Midterm examination: 30% (Duration of the lecture)

Final examination: 70% (3 hours)

I anticipate that the exams will be multiple-choice, though I reserve the right to include some short-answer questions at my discretion. If your individual performance on the final is better than on the midterm the weights will be changed from '30% / 70%' to '20% / 80%'. They are **closed book** examinations - no texts, notes, cell phones or electronic memory devices allowed.

If you miss the mid-term, for **justifiable** reasons, (as determined by the instructor and subject to written confirmation acceptable to the instructor), there are two options. You can have the *final count as 100% of the course*, *OR*, you can sit for a *deferred mid-term during the regular deferred exam period in McGill, in August 2021*.

*Students missing the mid-term without justifiable reasons approved by the instructor AND students not clarifying their chosen option between a deferred midterm and a 100% final before the date of the final exam, will receive a grade of 'zero' on the midterm and will not be eligible for a deferred mid-term.*

## Critical dates

January 7<sup>th</sup>: beginning of course

February 24<sup>th</sup>: online midterm examination

March 1<sup>st</sup> – 5<sup>th</sup>: Study Break

April 16<sup>th</sup>: end of course

## Teaching assistants

- **Office Hours**

Teaching assistants (TAs) will have regular office hours (room and time TBA) during which they will answer questions on the course material.

- **Conferences**

T.A.s will hold weekly **conferences** (small-group seminars) to help you understand assigned questions on the ‘assignments. The questions in the assignments and basic answer guides are posted each week on **MyCourses**. The conferences are voluntary – but you are **strongly** advised to attend. *Conference times and locations, as well as your T.A.’s office hours, will be posted on MyCourses shortly after the onset of semester.*

## **Course material**

### **Macroeconomics, 16<sup>th</sup> Canadian Edition**

**Christopher T.S. Ragan** Publisher:

Pearson Education Canada

ISBN-10: 0135322855

ISBN-13: 9780135322857

**These are available from Paragraphe bookstore on McGill College Avenue.**

ECON 209 will also have additional readings will be posted on **MyCourses**.

- The text’s **MyLab** site [www.myeconlab.comh](http://www.myeconlab.comh) has explanations for a selection of end-of-chapter exercises/questions, and some short practice quizzes. It is not a substitute for the **Study Guide**. *[A Study Guide to the 14th edition of the text (by Dickinson & Indart) is on reserve in the library. It contains useful study hints and lots of practice questions and answers (with explanations). It includes multiple-choice questions, short-answer questions and longer exercises to help understand the material. Note that the page numbers and chapter numbers do not necessarily mirror those of the text’s 16th edition]*

A very important learning tool is the Econ209-003 site on **myCourses**. You should check it **regularly** for course announcements, additional readings and non-text lecture content.

Conference sheets (Assignments) will be uploaded, to assist you in the course. Use the 'Discussions' section to ask questions of and receive answers from your fellow students.

## **COURSE OUTLINE:**

Week numbers are estimates and may change. In addition to references below, associated topics and applications will be on Assignments and made available through the course web site. Some analysis and applications will be covered in lectures for which there are no set readings.

### **1: Start-Up (Week 1)**

Administrative & topical aspects

### **2. An Introduction to Macroeconomics (Week 2)**

- \* Context and concepts (Chap 1)
- \* What Macroeconomics Is All About (Chap 19)
- \* The Measurement of National Income (Chap 20)

### **3. The Economy in the Short Run (Weeks 3 & 4)**

- \* The simplest Short-Run Macro Model (Chap 21)
- \* Adding government and trade (Chap 22 & Appendix 22)
- \* Output and Prices in the short-run (Chap 23)

### **4. The Economy in the Long Run (Weeks 5, 6 & 7)**

- \* From the Short Run to the Long Run: The Adjustment of Factor Prices (Chap 24 pp.580-594)
- \* Fiscal Stabilization policy (Chap 24 pp.594-603)
- \* Long-Run Economic Growth (Chap 25 pp. 608-636)

### **Mid-Term Examination (Week 7)**

### **5. Money, Banking and Monetary Policy (Weeks 8 & 9)**

- \* Money and Banking (Chap 26)
- \* The nature of money (Chap 26 pp.641-649)
- \* The Canadian banking system (Chap 26 pp.650-657)
- \* Money creation and the money supply (Chap 26 pp.657-665)
- \* Links between monetary and Real Sector (Chap 27)
- \* Monetary Policy In Canada (Chap 28 pp. 699-716)
- \* Three decades of Canadian Monetary Policy (Read only) (Chap 28 pp. 716-724)

### **6. Macroeconomic Problems & Policies (Weeks 10 & 11)**

- \* Inflation and Disinflation (Chap 29)
- \* Unemployment Fluctuations and the NAIRU (Chap 30)
- \* Government debt and deficits (Chap 31)

## **7. Canada in the Global Economy (Weeks 12 & 13)**

- \* Trade policy (Chap 33 pp.828-842)
- \* Exchange rates and the balance of payments (Chap 34)

*\* The instructor reserves the right to curve the course grades to an acceptable average as determined by the instructor at his discretion.*

**In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.**

### **ACADEMIC POLICIES**

- McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see [www.mcgill.ca/students/srr/honest/](http://www.mcgill.ca/students/srr/honest/) for more information.
- According to Senate regulations, instructors are not permitted to make special arrangements for final exams. Please consult the Calendar, section 4.7.2.1, General University Information and Regulations at [www.mcgill.ca](http://www.mcgill.ca).
- In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded. (Note: Not applicable to multiple-choice exams)
- If you have a disability please contact the [Office for Students with Disabilities](#) at 514-398-6009.