



St. Francis Xavier University

Department of Economics

ECON 302: Intermediate Macroeconomics II

Instructor: Zeynep Ozkok

Winter 2022

Office: Mulroney Hall 3061

Telephone: 867-5855

E--mail: zozkok@stfx.ca

Web Page: <https://sites.google.com/site/zeynepozkok/>

Classes: Tuesday 9:45 – 11:00 am, and Thursday 8:15 – 9:30 am

Office Hours: Monday 2:30 pm – 3:30 pm, and Wednesday 12:00 pm – 1:00 pm.

Description

This is the second of two half-courses on intermediate macroeconomics. We present several macroeconomic models of short-run economic fluctuations for both closed and open economies, in static and dynamic contexts. We focus on the questions of unemployment, inflation, interest and exchange rates, investment and savings in the open economy setting. The course will also consider current macroeconomic policy debates. Lastly, we study theories of economic growth in the very long run.

Objectives and Learning Outcomes

The course has two main objectives:

- (1)** To present students standard static macroeconomic models that can be used to understand current economic developments.
- (2)** To prepare students for further study of macroeconomics at an advanced or graduate level by introducing them to dynamic macroeconomic models.

Textbook

Mankiw, N. G. and W. Scarth. (2020). *Macroeconomics*. 6th Canadian Edition. New York: Worth Publishers Macmillan Learning. (**Note:** You **CAN** also use the 5th Canadian Edition.)

Evaluation

The course grade is based on a midterm, three assignments and a final exam as follows:

- Mid-term: 35%
- Assignments (3): 15%
- Final exam: 50%

Students are expected to attend all lectures. The mid-term exam is scheduled for **March 8** during class time. **No make-up mid-term exams** will be offered. Should a student miss a mid-term for a medical reason, the weight of the mid-term will be added to the final exam. Students may drop a course, online in Banner, on or before the relevant deadline. The drop date is **March 22, 2022** for second-term, three-credit courses. The final exam, to be scheduled by the registrar's office in April 2022, will be cumulative and will cover material from the whole term.

Three assignments will be given throughout the term. Students are free to work with other students on these assignments and submit their work in groups of 1, 2 or 3. Assignments should be handed in during the start of the lecture in which they are due. Late assignments will not be accepted and will receive a mark of zero. The solutions for the assignments will be posted on Moodle.

The office hours for this term will be conducted online on Blackboard Collaborate. The link for the virtual office hours will be posted on Moodle. Please allow for 5 to 10 minutes for everyone to get on Blackboard Collaborate. Aside from the online office hours, you can also send me questions via email.

Please note that this in-person course will switch to online delivery if circumstances related to Covid-19 require it in the Winter term. Also, note that the materials in this course are designed for use in Econ 302 at StFX University and are the property of the instructor. Copying this material for distribution, online posting, or selling it to third parties for distribution without permission is subject to Canadian Copyright Law and is strictly prohibited. Copying this material for distribution (e.g. uploading material to a commercial third-party website) may lead to a charge of misconduct under St. Francis Xavier University's Community Code of Conduct and the Senate Policy on Academic Integrity. For more information, please visit the StFX copyright guide: <http://www2.mystfx.ca/library/campus-copyright>

Course Outline

<i>Part I: Macroeconomic Models of Short-Run Economic Fluctuations</i>	Chapter
1. Static Models	
1.1 Demand-Side	
• The Open Economy	6
• The Open Economy Revisited: The Mundell-Fleming Model and the Exchange-Rate Regime	13
1.2 Supply-Side	
• Aggregate Supply and the Short-Run Tradeoff between Inflation And Unemployment (including Appendix)	14
2. Dynamic Models	
• A Dynamic Model of Economic Fluctuations	15
<i>Part II: Macroeconomic Policy Debates</i>	
1. Alternative Perspectives on Stabilization Policy	16
2. Government Debt and Budget Deficits	17
<i>Part III: Economic Growth</i>	
1. Economic Growth I: Capital Accumulation and Population Growth	8
2. Economic Growth II: Technology, Empirics, and Policy	9
<i>Part IV: Topics in Macroeconomic Theory and Policy (If time permits)</i>	
1. The Financial System: Opportunities and Dangers	18
2. The Micro Foundations of Consumption and Investment	19

Important Dates

January 31: Back to in-person classes

February 9: April exam schedule is available online

February 21 - 27: Winter Study Break

February 28: Classes resume after the study break

March 18: Winter term midterm grades available on Banner

March 22: Last day to drop second-term three-credit courses

April 14: Last day of classes for second term