Econ209: Macroeconomic Analysis & Applications (Section 002)

Tuesday & Thursday, 4:05 – 5:25

Professor: Paul Dickinson  paul.dickinson@mcgill.ca

A: Course Content
This 3-credit course covers 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 people not currently specializing in economics at the majors or honours level. You should have already done microeconomics (Econ208 or equivalent): if not, see me for advice. At each stage you will do some theory and then use it for a variety of applications. The course assumes you have very little prior knowledge of macroeconomics, and what you do need can be quickly learned with a little extra work.

Do the readings in a timely manner as the lectures progress. Economic reasoning builds upon itself, so you need to understand each part as we go along. If you must miss a lecture or conference, arrange a 'buddy system' so you can copy the notes of someone who does attend. Some examinable material covered in lectures may not be in the text. Lecture notes will not be posted on the myCourses web site.

B: Text & Learning Tools
The text is Macroeconomics, 15th Canadian Edition, by Ragan (published by Person Canada) available from Paragraphe bookstore, 2220 McGill College Avenue. [**Make sure you get the MACRO version, not the Micro.]

The text comes with an online site (MyEconLab), where you will find (i) explanations for a selection of end-of-chapter text exercises/questions, (ii) some short practice quizzes, (iii) sections on Additional Topics referred to in the text, and more.

Also available is the Study Guide to the 14th edition of the text (by Dickinson & Indart) which has brief summaries of chapter topics, 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.

PLEASE NOTE: The chapter numbers in text & SG are the same up to and including Chap 24. Thereafter, since Chap 25 in the 14th edition was dropped from the 15th edition, reduce all subsequent chapter numbers in SG by one. Chapter 26 in the Study Guide is Chapter 25 in the text, Chapter 27 is 26, and so on.

A very important learning tool is the Econ209-002 site on myCourses. You should check it regularly and often for course announcements, additional readings and non-text lecture content. Conference sheets (see section D below) will be there, and other items to assist you in the course. Use the 'Discussions' section to ask questions of and receive answers from your fellow students. Your questions may be administrative (“Can anyone help me with lecture notes from ……? ”) or explanatory (Can someone please explain what is meant by …….. “?”). Fellow students almost always respond to help you.

What's on myCourses for Econ209-002
1: Course Information: Course outline, Reading List, Conference and Office Hours times & locations.  
2: Tools and “How To: How to access and use MyEconlab, myCourses, and animated diagrams
3: Conference Sheets  
4: Non-Text Material: Material covered in lectures (and eligible for examination) that’s NOT in the text
5: Publisher’s Text Slides: PowerPoint note. READ THE WARNING – we do more in lectures and in greater detail
6: Videos (animated presentation of two indices)
7: Press & Others: Topical issues based on Microeconomics - not covered in course & not eligible for examination.

C: Contacting Me
My office hours (times to be determined) are in Leacock 516. If you can’t make my office hours because of your course schedule, email a request (paul.dickinson@mcgill.ca) to arrange a mutually convenient time and include (i) your weekly schedule and (ii) a brief explanation of what you need to talk about. Use email, not the phone.
D: ‘Conferences’
Two graduate students will hold weekly small-group seminars we refer to as ‘conferences’. There you will get help in understanding and answering questions (in ‘Conference Sheets’) which I post on myCourses each week. What goes on in conferences will give you a better understanding of the lecture/text material and its applications. The About Conferences document on this website explains these in greater detail. Conference times and locations, as well as your Conference Leader’s office hours, will be posted on myCourses shortly after the start of semester.

E: Grading/Examinations/Conduct
The mid-term exam, scheduled for the Thursday immediately before Spring Beak, is at the same time and in the same place as lectures. It is worth 30% of the overall course mark. A cumulative 3-hour final worth 70% is held during the final examination period as determined by the Faculty of Arts. If your individual performance on the final is better than on the midterm the weights will be changed from 30%/70% to 20%/80%. It is anticipated that the exams will be multiple-choice, though I reserve the right to include some short-answer questions at my discretion. They are “closed book” examinations - no texts, notes, cell phones or electronic memory devices allowed. The course grades may be curved at my discretion.

If you miss the mid-term for justifiable reasons (as determined by the instructor and subject to confirmation acceptable to the instructor) there are two options; you can have the final count as 100% of the course, or you can sit a deferred midterm in McGill’s Deferred Examinations times in August 2019. Students missing the mid-term without justifiable reason approved by the instructor will get a mark of zero for that exam and will not be eligible for a deferred mid-term.

 Regulations require that you be reminded of the following:

1. 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
2. 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.
3. 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)
4. If you have a disability please contact the instructor to arrange a time to discuss your situation. It would be helpful if you contact the Office for Students with Disabilities at 514-398-6009 before you do this.

Text Packages and Prices
The following print packages are available at Paragraphe bookstore.

- $159.95 for a bound version of the Ragan 15th edition text with MyEconLab
- $169.95 for a package containing a bound Ragan 15th edition text with MyEconLab, and 14th edition Study Guide
- $45.0 for the 14th edition Study Guide.
- $110 for the loose-leaf Ragan 15th edition text with MyEconLab
- $125 for a package with a loose-leaf Ragan 15th edition text with MyEconLab, and with 14th edition Study Guide
- $95 for MyEconLab without printed text but with a FREE printed study guide. (MyEconLab access expires in 1 year)
  - You can but it at Paragraphe (get SG immediately) or online (SG has to be delivered to you).
  - BE CAREFUL: There’s a website operated by Vital Source offering the e-text for $78 – but that us US$!
    If you buy it you will pay more in Canadian $ that buying the MyEconLab and get less! There’s none of the other contents of MyEconLab, no free SG, and it expires in only 180 days.

Note that the difference between the $95 MyEconLab and the $125 loose-leaf package is $30, for which you get the printed text too. Because economics ‘builds upon itself’ you’ll often need to return to previous pages for a refresher. I find this much easier with a print copy than with e-text showing only one page at a time. You may have a different opinion.

Professor Paul T. Dickinson
Department of Economics
Econ209-002, Winter 2019

Reading List

Week numbers are estimates and may change. In addition to references below, associated topics and applications will be on Conference Sheets 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  
   * Administrative & topical aspects  
   * myCourses  
   Week 1

2. Introduction to Macroeconomic Issues  
   * Context and concepts  
   * Macroeconomic aggregates  
   * National income accounting  
   (Chap 19)  
   (Chap 20)  
   Week 2

3. The Economy in the Short Run  
   * The simplest model  
   * Adding government and trade  
   * Aggregate demand, supply and short-run equilibrium  
   (Chap 21)  
   (Chap 22 & Appendix 22)  
   (Chap 23)  
   Weeks 3 & 4

4. The Economy in the Long Run  
   * Actual output, full-employment output, & factor prices  
   * Government fiscal policy  
   * Economic growth  
   (Chap 24 pp.554-567)  
   (Chap 24 pp.567-577)  
   (Chap 25 pp.582-609)  
   Weeks 5, 6 & 7

Mid-Term Examination (Week 7)

5. Money, Banking, and Monetary Policy  
   * The nature of money  
   * The Canadian banking system  
   * Money creation and the money supply  
   * Links between the monetary sector & the real sector  
   * How monetary policy works in Canada  
   * Three decades of Canadian monetary policy (Read Only)  
   (Chap 26 pp.615-623)  
   (Chap 26 pp.623-630)  
   (Chap 26 pp.630-637)  
   (Chap 27)  
   (Chap 28 pp.671-688)  
   (Chap 28 pp.688-696)  
   Weeks 8 & 9

6. Macroeconomic Problems & Policies  
   * Inflation and inflation control  
   * Unemployment  
   * Government debt and deficits  
   (Chap 29)  
   (Chap 30)  
   (Chap 31)  
   Weeks 10 & 11

7. International Macroeconomics  
   * Exchange rates and the balance of payments  
   * Trade policy  
   (Chap 34)  
   (Chap 33 pp.801-806)  
   Weeks 12 & 13

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