

Department of Economics
Queen's University
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ECON 223 – Macroeconomic Policy

SUMMER TERM 2021

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Place and Time

This is an online course. All the material is delivered through OnQ.

Course Overview

Current topics in macroeconomic policy which may include: unemployment and policies to reduce it, government budget deficits, supply-side controversies, financial deregulation, policy coordination, and management of exchange rates. Comparison of policies in Canada, the United States, and other OECD countries.

In this course we attempt to get an intuitive grasp of how an economy works and how an economy can be influenced by government policies. So often in macroeconomics, we can't see the forest for the trees. We might learn how various macroeconomic indicators, like interest rates and GDP, are related to one another, but we don't always get a sense of how they fit into the overall picture. Here we will use simple language and a little math to pull things together.

Our understanding of the basics will be reinforced by reading newspaper articles and discussing them in bi-weekly online discussion forums. You should scan the business section of some newspaper or online journal each day for economic news. Your job is to learn the material taught in class AND to be abreast of major current events in the economy.

Throughout this course, you will be able to consult with your fellow students, the teaching assistants and me in a cooperative learning environment.

Prerequisites: ECON 110 or [ECON 111 and ECON 112]

Course Materials

All the materials you need for this course are available online on OnQ. The online text will be referenced throughout the weekly units. It is accompanied by practice questions and weekly quizzes.

Learning Outcomes

After completing ECON 223, students should be able to:

1. Identify the essential features of a macroeconomy and to diagnose its problems;
2. Describe how savings and trade contribute to economic growth;
3. Explain how governments use fiscal policy to stabilize an economy or boost its growth;
4. Explain how governments use macroeconomic policy to stabilize an economy;
5. Describe how exchange rates are managed, and the pros and cons of various exchange rate choices;
6. Define Keynesian and Austrian views of how a business cycle is generated and how to respond to a business cycle;
7. Describe how economists and politicians have steered economies in either more Keynesian or more Austrian directions;
8. Describe recent macroeconomic events in Japan, Europe and North America, as well as whatever breaking news events there may be.

Tentative Schedule

	Readings	Concepts	Activities
Week 1	Module 1	<ul style="list-style-type: none"> • Basic definitions • Factors of output • Long run supply and demand 	Class survey
Week 2	Module 2	<ul style="list-style-type: none"> • Market failures and Pigouvian policy • Money creation, inflation, deflation 	Group discussion #1 opens Quiz #1 due
Week 3	Module 3	<ul style="list-style-type: none"> • Classical vs Keynesian economics 	Quiz #2 due
Week 4	Module 4	<ul style="list-style-type: none"> • Fiscal policy • Monetary policy 	Group discussion #1 due Quiz #3 due
Week 5	Module 5	<ul style="list-style-type: none"> • Money supply • Central bank • Quantity Theory of Money 	Group discussion #2 opens Quiz #4 due
Week 6	Module 6	<ul style="list-style-type: none"> • Other money topics 	Assignment #1 due Quiz #5 due
Week 7	Module 7	<ul style="list-style-type: none"> • Business cycle • Phillips curve • Credit cycle 	Group discussion #2 due Quiz #6 due
Week 8	Module 8	<ul style="list-style-type: none"> • Exchange rates • Purchasing power parity 	Group discussion #3 opens Quiz #7 due
Week 9	Module 9	<ul style="list-style-type: none"> • Balance of payments • Monetary union 	Assignment #2 due Quiz #8 due
Week 10	Module 10	<ul style="list-style-type: none"> • International trade policy 	Group discussion #3 due Quiz #9 due
Week 11 Nov. 13, 15	Module 11 Midterm II	<ul style="list-style-type: none"> • Economic liberalization 	Quiz #10 due
Week 12	Review		Quiz #11 due

Weighting of Assessments

Assessment 1: 10%* Analysis of a news article on fiscal policy

Assessment 2: 10%* Analysis of a news article on monetary policy

Assessment 3: 10%* Analysis of a news article on exchange rates

Final Exam : 40% Covers Weeks 1-12 including current events issues discussed in chat sessions

Discussions : 20% Students will be divided into groups of 4-6. Each group will be challenged to discuss and debate current events topics, and to come up with written responses to assigned questions

Quizzes : 10% The best 8 out of 11 weekly quizzes count for the final mark.

*Note: Each of the three assignments must be completed in order to receive a grade for the course

Proctored Exams

The final exam will use remote proctoring provided by a third-party, cloud-based service that enables the completion of a proctored exam or test from an off-campus location, through onQ. This online proctoring solution was chosen as part of the approach to maintaining academic integrity in online assessment.

When writing tests/exams using remote proctoring, you are connecting to the third-party service. Queen's has conducted a privacy and security review of the service and has entered into a binding agreement with terms that address the appropriate collection, use and disclosure of personal information in accordance with Ontario's privacy legislation.

You should also take measures yourself to protect your information by keeping your NetID password and challenge questions private, closing all applications prior to starting an exam/test, and ensuring your device is updated and safeguarded against malware.

Once the exam schedule has been finalized the exam date will be posted on your SOLUS account. Due to the ongoing situation with COVID-19, there will be no in person proctored exams. All exams will be written online using OnQ or Examity.

The ASO Exams team will contact you with more information regarding the use of Examity and the technical requirements that you will need to meet. You will also be asked to provide the time zone in which you will be located at the time of your exam.

You will also be offered an opportunity to practice logging into Examity in order to familiarize yourself with the online proctoring experience.

Calculator Policy

As noted in Academic Regulation 9.2, "Calculators acceptable for use during quizzes, tests and examinations are intended to support the basic calculating functions required by most Arts and Science courses. For this purpose, the use of the Casio 991 series calculator is permitted and is the only approved calculator for Arts and Science students."

Netiquette

In any course you often communicate with your peers and teaching team through electronic communication. You are expected to use the utmost respect in your dealings with your colleagues or when participating in activities, discussions, and online communication.

Here is a list of netiquette guidelines. Please read them carefully and use them to guide your communication in this course and beyond.

1. Make a personal commitment to learn about, understand, and support your peers.
2. Assume the best of others and expect the best of them.
3. Acknowledge the impact of oppression on the lives of other people and make sure your writing is respectful and inclusive.
4. Recognize and value the experiences, abilities, and knowledge each person brings.
5. Pay close attention to what your peers write before you respond. Think through and re-read your writings before you post or send them to others.
6. It's ok to disagree with ideas, but do not make personal attacks.
7. Be open to being challenged or confronted on your ideas and to challenging others with the intent of facilitating growth. Do not demean or embarrass others.
8. Encourage others to develop and share their ideas.

Copyright

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Academic Accommodations

Queen's University is committed to achieving full accessibility for persons with disabilities. Part of this commitment includes arranging academic accommodations for students with disabilities to ensure they have an equitable opportunity to participate in all of their academic activities.

The Senate Policy for Accommodations for Students with Disabilities was approved at Senate in November 2016. If you are a student with a disability and think you may need accommodations, you are strongly encouraged to contact the Queen's Student Accessibility Services (QSAS) and register as early as possible. For more information, please visit the QSAS website

Students with course accommodations should send their accommodation requests to ASO and their instructor as soon as possible to make the appropriate arrangements, using the widget located on the course homepage.