

# EC 1020 Course Outline

*Winter 1998*

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|---------------|---|
| Instructor:   | Neil Hepburn  |
| Class Times:  | 11:00 - 12:20 TR (A3) Rm A212<br>13:00 - 14:50 TR (B3) Rm B208                                      |
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## **Introduction**

This course is a continuation of EC 1010 - Introduction to Microeconomics. In this course we look at the economy on a larger scale, whereas in EC 1010 we looked at the decisions of individual agents in the economy. Macroeconomics concerns itself with three key issues: Growth in national income, variations in the price level (inflation), and unemployment.

Each of the three issues in macroeconomics are inextricably linked. However, for much of the course we examine each of them in their own light. This is done as a step toward a solid understanding of each issue. Once we have that solid grasp of the concepts we can begin to see how they all fit together.

## **The objectives for this course are as follows:**

1. Prepare the student with an understanding of the fundamentals of macroeconomic theory
2. Explain and illustrate the inter-relationships among the key macroeconomic variables: growth in GDP, inflation, and unemployment.
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.
5. Recognise and understand institutions as they apply to the Canadian economy.

### **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.
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.

### **The main texts for this course are:**

Blomqvist, Wonnacott, and Wonnacott. *Macroeconomics, Fourth Edition*, McGraw-Hill Ryerson Ltd. 1994

Blomqvist, Wonnacott, Wonnacott, and Hobson. *Study Guide to Accompany Macroeconomics, Fourth Edition*, McGraw-Hill Ryerson Ltd. 1994

### **Selected Readings on reserve in the Library**

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 assignment. The term assignment will be handed out in approximately the fourth week and includes material from the entire course. Each person's assignment is different in terms of numbers and parameters used, but the problems are the same. For this reason I strongly encourage you to work together since sharing of answers is not possible.

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 of a mixed format: Multiple choice, true/false/uncertain, and problem questions.

## Grade Weights and Grade Assignment

|                         |         |
|-------------------------|---------|
| 4 Assignments (5% each) | 20.00%  |
| Term assignment         | 15.00%  |
| Midterm 1               | 15.00%  |
| Midterm 2               | 15.00%  |
| Final                   | 35.00%  |
| 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 to 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 standardised z-scores around a target mean of 68% and the population standard deviation for both sections combined.
- 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.

## 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.

## Tips for Success in this course

### How to Read the Text Book

I know this seems like a strange thing to say, after all you have a high school diploma and so you know how to read. However, there is a difference between seeing the words and actually reading the book so that you understand it. The problem is that a text book for courses such as this are remarkably dry reading. Each of you can probably sit down with a novel (if it is a good one) and plow through it in one night. Unfortunately, a text book does not tell a story in a nice linear time fashion and it certainly is not gripping reading. If you sit down and try to read an economics text as you would a novel, you will probably be asleep in a matter of minutes. The trick is to give a purpose to the reading.

The suggestions that I am about to give you are a variant on the SQ3R method that you may have encountered in study strategy courses. This is a method that worked well for me (as a student) and for my students in the past. Read the introduction to the chapter carefully and stop for a moment. Try to relate what is said in the introduction to your own experiences and observations. This way, you can relate to the material and give it more meaning. Next, skim through the chapter and see how it is laid out (in what order are ideas presented). This is a crucial part: look at the questions at the end of the chapter and spend a few minutes thinking about them. What this does is give you something to watch for when you are actually reading the book. Now, read the chapter carefully (you may want to keep a list of questions beside you to refer back to when you come to an important piece of information.)

Once you have read the assigned material, answer the questions at the end of the chapter, If there is anything that is unclear, go back and re-read it. Also be sure to make a note of ideas and concepts that are still troubling. You can refer back to this list before class so that you know what to watch for during the lecture. Lastly, if after the lecture there are still troubling concepts, ASK QUESTIONS!