

THE UNIVERSITY OF THE WEST INDIES, MONA

ECON2002

Intermediate Macroeconomics I

Semester I, 2020 – 2021

Pre-requisites: ECON1002 & ECON1003 or ECON1006 or MATH1150 or MATH1180

Lecturer: Andre Haughton PhD (andre.haughton02uwimona.edu.jm)

Description

This course is the first of the two course intermediate macroeconomics sequence. The introduction briefly looks at the evolution of macroeconomics and revisits the measurement of key macroeconomics variables, including but not limited to GDP, inflation and unemployment. Building upon the content covered in the pre-requisite principles courses, this course delves deeper into macroeconomic theory using the traditional approach. To this end the IS-LM and AD-AS models are explored within the business cycle. Fiscal and monetary policies are also explored within the context of the business cycle instead of being isolated on their own. Economic growth and the lack thereof are explored via simple Solo growth model. Factors relevant to an open economy such as exchange rates and international capital flow are also examined. Topical questions explored in this course include; what factors contribute to economic growth or depression? Why do some countries grow faster than others?

Learning Outcomes

Upon successful completion of this course, students should be able to:

- Define, measure and use macroeconomic variables such as GDP, inflation, and unemployment
- Use the Solow model to explain why some countries grow faster than others
- Evaluate the causes, effects and cost of inflation
- Examine Macroeconomic issues in an open economy framework
- Describe how the Macro economy operates in short and long run theory
- Use AD-AS framework to explain macroeconomic phenomena
- Construct and use the IS-LM model to analyze macroeconomic relations
- Use course content to examine macroeconomic issues in the Caribbean within a global context

Modes of Delivery

Two lecture hours per week, one tutorial hour per week beginning the third week in the semester. Lecture notes, Problem sets (not for grading) and other course material will be provided for practice via OURVLE

Assessment

Mid-Semester Exam – 40% and Final Exam – 60%

Assignment and Exams time and dates to be announced

Syllabus

	<i>Topic/Information</i>	<i>*Readings</i>
Week 1	Introduction - <i>How economist think</i>	Chapter 1
Week 2	National Income, Inflation and Unemployment - <i>GDP, CPI, U, etc</i>	Chapters 2 &3
Week 3	National Income, Inflation and Unemployment - <i>continued</i>	Chapters 2 &3
Week 4	Inflation; causes effects and costs - <i>Quantity theory, expected inflation, etc</i>	Chapter 5
Week 5	The Open Economy - <i>Imports, exports, exchange rates, etc</i>	Chapter 6
Week 6	The Solow Model - <i>Capital Accumulation, the steady state, etc</i>	Chapter 8
Week 7	The Solow Model and Technological Progress	Chapter 9
Week 8	Solow Model continued and exam Review	
Week 9	Mid-semester exam	Chapter 1,2,3,5,6,8 and 9
Week 10	Economic Fluctuation - <i>Short run AD-AS framework, etc</i>	Chapter 10
Week 11	Building the IS-LM model - <i>Goods Market and Money Market equilibria</i>	Chapter 11

Week 12 Applying the IS-LM model
- Fiscal and Monetary Policy changes

Chapter 12

Resources

Recommended

Required Textbook: Macroeconomics - Mankiw, Gregory (8/E)

Recommended Textbook: Macroeconomics - Abel, Bernanke, & Crushor (7/E)

Extra reading: *The Economist*, *The Financial Times* and The Briefing (Jamaica Gleaner)