

Course Outline

Econ 2000.03 Applied Macroeconomics

Course Description

This course provides managers with analytical tools useful for solving business and economic problems. The key focus is to teach students to identify, understand and evaluate the domestic and global forces causing economic change. Key concepts and ideas from macroeconomics, microeconomics and international economics are introduced. Topics relevant to real-world issues and problems provide the focus for in-class discussion. Upon completion, students are expected to be familiar with the fundamental concepts of economics and be able to analyze how changes in the economic environment affect business performance and future strategic options.

Office Hours: Wednesday 12:00pm to 1:30pm at SSB N205C.

E-mail: sbasher@schulich.yorku.ca

Course Web: <http://dept.econ.yorku.ca/~basher/econ2000.htm>

Grading

There will be two take-home assignments, one in-class closed-book mid-term exam and a closed-book final exam.

In arriving at the final grade, the following weights will be applied to individual pieces of written work:

Assignment #1:	15%
Assignment #2:	15%
Mid-term exam:	30%
Final exam:	40% (comprehensive)

I do not use a fixed grading scheme. The course will be graded according to the Schulich Grading Guidelines. In order to receive a passing grade a student must obtain a weighted average mark on the midterm and final exam of 50%. If a student misses a midterm exam, then the weight of the midterm exam will be added to the final exam.

Required Texts

Mankiw, N. G. and W. Scarth (2004), **Macroeconomics: Second Canadian Edition Updated**, New York: Worth Publishers.

For sample test questions with answers visit the website at www.worthpublishers.com/mankiw
Wheelan, Charles, (2002) **Naked Economics**, Norton, New York.

Supplementary Readings

Additional readings and/or handouts will be assigned if required.

TOPICS & READING LIST

Topic 1 Introduction

Difference between micro and macro-economics
The demand and supply model
Market Forces - Demand and Supply

Mankiw & Scarth: Chapter 1
Wheelan: Chapters 1, 2

Topic 2 Measuring Economic Activity & the Business Cycle

Economic indicators & the business cycle
National accounts
Current Canadian outlook

Mankiw & Scarth: Chapters 2, 3
Wheelan: Chapter 9

Topic 3 Economic Growth I

Mankiw & Scarth: Chapter 4

Wheelan: Chapters 6, 7

Assignment #1: Handed out on September 27, 2006.

Topic 4 Inflation and Unemployment

Inflation and issues regarding unemployment

Mankiw & Scarth: Chapters 6 and 7

Topic 5 Role of Government and the Monetary Authority

Wheelan: Chapters 3, 4, 8, 10

Assignment #1: Due on October 11, 2006

Topic 6 IS-LM

Loanable funds (IS curve)

The demand and supply of money (LM curve)

Mankiw & Scarth: Chapters 10, 11 and 18 (pp. 526-537)

Mid-Term Exam (Wednesday Oct 18, 2006)

Topic 7 Aggregate Demand and Aggregate Supply I

Mankiw & Scarth: Chapter 9

Topic 8 Aggregate Demand and Aggregate Supply II

Mankiw & Scarth: Chapters 10, 11

Assignment #2 Handed out

Topic 9 Open Economy

Mankiw & Scarth: Chapter 8

Wheelan: Chapters 11, 12

Assignment #2 Due

Topic 10 Open Economy in the Short Run

Mankiw & Scarth: Chapter 12

Topic 11 The Four Most Important Lessons Of Macroeconomics

Mankiw & Scarth: Epilogue