

ECO 466 H1F: Empirical Macroeconomics and Policy

Fall 2023

Department of Economics, University of Toronto

Instructors: Prof. Angelo Melino, GE 327, angelo.melino@utoronto.ca
Prof. Martin Burda, GE 234, martin.burda@utoronto.ca
TA: Paul Han, p.han@mail.utoronto.ca

Lectures: Tuesday 10-12 and Thursday 10-12 (September 7 – October 17)
Location: OI3312

Course Description

This course builds on material covered in previous macroeconomics and econometrics courses. Students will increase their data literacy and learn how to apply techniques to address policy issues. Topics covered will include how monetary policy is conducted, ways in which the central banks use general equilibrium models, and basic techniques for predicting key macroeconomic variables. As part of the course, students will follow current economic developments and will forecast how domestic and international events may alter the Bank of Canada's monetary policy in the short run.

Course Structure

The course runs through the first half of the fall semester only. In addition to individual tasks, students will be divided into groups of up to five and work towards a group presentation. Following the conclusion of the course, five students will be selected by the instructors to participate in the Bank of Canada (BoC) “Governor’s Challenge” competition (<http://www.bankofcanada.ca/research/governors-challenge/>) which takes place in two rounds: round 1 will be a virtual presentation from Toronto in November and, if the team successfully passes to the next round, round 2 at the BoC premises in Ottawa in the winter (usually February). This will require extra time commitment above and beyond the scope of the course. By enrolling in this course students agree to take part in the BoC competition should they be selected.

Previous Training

Prerequisites: ECO208Y1(70%)/ ECO209Y1(70%)/ ECO202Y1(75%)/ ECO325H1(70%);
ECO374H1(70%)/ ECO375H1(70%)
Recommended: ECO325 or ECO425, ECO475

The prerequisites are checked by the administration of the Department of Economics and students will be removed from the course list if the prerequisites are not met. In addition, admission to this course requires the permission of the instructors. After you tentatively enroll in the course via ACORN, you will be contacted by one of the instructors for a short virtual interview.

Software

We will use Stata or R for empirical analysis of macroeconomic models. Familiarity with Stata or R is assumed.

Evaluation

The final grade is based on the following:

Task	Weight	(Due) Date
Term Test	30 %	October 17
Group presentation	30 %	October 12
Active Participation	10 %	Through the course
Econometrics Assignment	10 %	October 6
Macroeconomics Assignments	20 %	Sept 13, Sept 20, Sept 27

- Students who miss the midterm exam and wish to request a make-up midterm must complete the Absence Declaration on Acorn and must email the instructor with their request within 24 hours of the missed midterm. Consistent with university policy, there is no “make-up” test for the Make-up Test. A grade of zero will be applied if the Make-up Test is requested but missed.
- If students wish to appeal a Term Test or Make-up Test grade, they must provide a written explanation of why they believe their grade is mistaken, and submit it to the instructors within one week of the test being returned to the class.
- Participation in the course work and group discussions enters as a graded component.

This course will use Crowdmark, a collaborative online grading tool for marking and providing feedback on graded term assessments. Crowdmark provides efficiencies with grading, data recording, returning term assessments and handling regrade requests. Copies of student work marked in Crowdmark, including grading and feedback, will be available online to students for at least one year. Digital (i.e., online) copies will serve as the authoritative record for course administrative purposes, and paper copies of assessments scanned and uploaded to Crowdmark will be destroyed after the term has ended and final grades are approved. If you have questions about how your information is stored on Crowdmark, please contact your course instructor.

Students may not copy or paraphrase from any generative artificial intelligence applications, including ChatGPT and other AI writing and coding assistants, for the purpose of completing assignments or presentation slides in this course.

There will be 3 macroeconomics assignments submitted via Crowdmark and due by 2pm on the dates given above. Students can form or will be assigned to groups of 3-5 to complete the assignments. Assignments that are received late will receive a grade of zero.

Additional problem sets or assignments may be given out throughout the course. These will not be graded, but serve to prepare students for the graded test, assignments and the BoC competition.

Use of Material

By enrolling in this course, the students agree that any material they submit as part of their Assignments or Group presentation slides, or any ideas generated by them during the course, may be used by other students during participation in the Bank of Canada “Governor’s Challenge” competition. All students in the course thus contribute to a team endeavor to represent the University of Toronto at the national stage.

Accessibility

For accessibility accommodation see [Accessibility Services - UofT Student Life \(utoronto.ca\)](https://utoronto.ca/accessibility-services)

Tentative Course Schedule

Wk 1	Mon	Sep	4	<i>Labour Day</i>	
	Thr	Sep	7	Prof. Melino	Introduction
Wk 2	Tue	Sep	12	Prof. Burda	VAR Model
	Thr	Sep	14	Prof. Melino	Macro Topic/Group Work
Wk 3	Tue	Sep	19	Prof. Burda	Forecasting Case Study
	Thr	Sep	21	Prof. Melino	Macro Topic/Group Work
Wk 4	Tue	Sep	26	Prof. Burda	VEC Model
	Thr	Sep	28	Prof. Melino	Macro Topic/Group Work
Wk 5	Tue	Oct	3	Prof. Burda	RNN and Machine Learning
	Thr	Oct	5	Prof. Melino	Macro Topic/Group Work
Wk 6	Tue	Oct	10	Prof. Burda	Guest Speaker/Group Work
	Thr	Oct	12	both	Group Presentations
Wk 7	Tue	Oct	17	T.A.	a) Term Test (macro part) b) Term Test (metrics part)