

ECO 209

Macroeconomic Theory and Policy

Term Paper: “The Oil-Price Collapse: Is It Bad for Canada?”

The price of oil dropped from \$110 a barrel in June 2014 to about \$30 a barrel in January 2016, a decrease of more than 70 percent over an 18-month period. It has since recovered but, at about \$60 a barrel, its current price is still about 50 percent lower than in 2014. A drop of this size in the price of such an important commodity should have a significant impact on the economies of both oil-importing and oil-exporting countries. Indeed, due to such a rapid and sizeable change in relative prices, some countries and sectors might have been big winners while others might have been big losers. As an important producer and exporter of oil, what was the impact for Canada? Was the period of high oil-price definitely “good” for Canada? Is the current (relatively) low oil-price definitely “bad” for Canada?

Write a short academic paper on the impact of the fall in oil-prices on the Canadian economy. What policies could be implemented to avoid the negative externalities of commodity-cycles? Your essay must have a clear thesis and include a brief introduction and conclusion. Your paper must be about 1500 words in length (5-6 double-space pages, without counting the references) and make reference to at least **five academic works** published on the topic.

A **first draft** of the paper will be due on **March 3**. **Note that you do NOT need to submit a hard copy of the first draft.** Instead, you must upload a copy to **Turnitin.com** by midnight **March 3**. **Also note that independently of the reason (e.g., illness, computer problems, etc.), the penalty for late submission will be 20 percentage points of the paper mark.**

The **final draft** of the paper will be due on **March 10**. **Again, note that you do NOT need to submit a hard copy of the final draft.** Instead, you must: **1)** upload a copy of your paper to **Crowdmark**; and **2)** upload **also** a copy to **Turnitin.com** for the writing assignment to be considered submitted. **Note that the penalty for late submission will be five percentage points per day independently of the reason (e.g., illness, computer problems, etc.).** Also note that the paper must be uploaded to **both Crowdmark AND Turnitin.com** by midnight **March 10** to avoid late penalties.

When submitting your **first** and **final drafts** to Turnitin.com you must refer to Class ID: **23781800** and Enrollment Password: **eco209**.

The University requires that the following paragraph be included in the syllabus of all courses using Turnitin.com:

Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so,

students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site.

Please note that you are not obligated to submit your assignment to Turnitin.com. If you object to submit your assignment to Turnitin.com, let me know by **February 11** and I will offer you a reasonable offline alternative.

Helpful instructions on how to complete this assignment are posted on the course website, as is the grading rubric to be used. Practical information on how to avoid unintended **plagiarism** is also posted on the course website. There are several Writing Centres at the University of Toronto where you can receive helpful information to guide you in completing any writing assignment. A list of these Writing Centres can be accessed at <http://writing.utoronto.ca/writing-centres/arts-and-science/>. More general advice on academic writing can also be electronically accessed at <http://www.writing.utoronto.ca/advice/general/general-advice>.