

Department of Economics  
University of Toronto  
ECO208Y1Y – L5101  
Macroeconomic Theory  
Summer 2011

Instructors: Pedro Bento (F semester) and Ashantha Ranasinghe (S semester)

Lectures: Tues 6-9pm, Thur 6-9pm (SS1070)

*Course Description:* ECO208 is an intermediate-level course in macroeconomics. The course develops a unified framework that is based on micro-foundations to study macroeconomic events and policy. Topics include: (a) measurement of output, prices, and business cycles, (b) economic growth, (c) analysis of fiscal and monetary policy, (d) business cycles, (e) international trade and exchange rates, (f) unemployment. Data from Canada, the U.S., and a number of other economies will be used throughout the course.

*Textbook:* The required textbook for this course is Macroeconomics by Stephen Williamson, Third Canadian Edition. This is an excellent text in macroeconomics and we will follow it closely. There is also a study guide available which is recommended but not required. Recommended readings will be announced and posted throughout the course.

*Grading and Exam Policy:* The course grade consists of two term tests worth 60% and a final exam worth 40%. Class participation is encouraged and will count positively towards marginal adjustments to the final course grade. Any student that misses a term test will have the opportunity to write a make-up test within 1 week of the missed test upon providing the instructor with a valid medical note, completed by a qualified medical doctor on the day of the missed test. Any student that misses a make-up test will NOT have an opportunity to retake the test.

*Web Site:* Announcements, lecture slides, suggested problems, and any other class-related material will be posted on Blackboard.

*Outline:*

Section F

- 1) Introduction (Chapter 1)
- 2) Measurement (Chapter 2)
- 3) Business-Cycle Measurement (Chapter 3)
- 4) Consumer and Firm Behaviour (Chapter 4)
- 5) Closed-Economy One-Period Model (Chapter 5)
- 6) Economic Growth (Chapter 6)

Section S

- 7) Two-Period Model (Chapter 8)
- 8) Real Intertemporal Model with Investment (Chapter 9)
- 9) Monetary Model (Chapter 10)

- 10) International Trade in Goods and Assets (Chapter 13)
- 11) International Finance (Chapter 14)
- 12) Unemployment (Chapter 16)

Note the material in some chapters will be complimented with parts of the Mathematical Appendix in the text and additional notes. A full set of lecture slides will be provided on Blackboard.

*Prerequisites:* Students are responsible for ensuring any prerequisites for this course have been fulfilled. Prerequisites must be completed *before* taking a course. By taking this course you acknowledge that you can be removed from the course at anytime if you do not meet all requirements. For further information, please consult the 2010-2011 Course Calendar available from the Registrar's Office.

*Contact Information:*

Pedro Bento:	pedro.bento@utoronto.ca Office: GE70, Max Gluskin House, 150 St. George St.
Ashantha Ranasinghe:	a.ranasinghe@utoronto.ca Office: GE80, Max Gluskin House, 150 St. George St.

*Office Hours:*

Pedro Bento:	Wedensdays 2-4pm
Ashantha Ranasinghe:	To Be Announced

*Some Relevant Dates:*

- June 16 – First Term Test during scheduled class time
- June 28 – Exam Period, no class
- June 30 – Exam Period, no class
- July 28 – Second Term Test during scheduled class time
- Aug 11 – Last scheduled class
- Aug 15-19 – Final Exam Period