

ECO202Y1
Macroeconomics Theory and Policy, Summer 2013
University of Toronto, Economics Department

Instructor: Masoud Anjomshoa **Office:** Economics Department, Room GE344

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Office Hours: Mondays 4:00-5:45, GE344

Course Description:

This course studies the behavior of economies in aggregate level. This is including macroeconomic behavior of economic variables in short run, i.e. economic fluctuations and business cycles, as well as the medium and long run adjustments and trends, and of course economic expansion. In each case, first closed economies are studied, and then we extend our models and knowledge to open economies. Moreover, we will use our models in order to analyze the impacts of shocks, expectations, and government policies.

Exclusions: ECO208Y1/209Y1

Prerequisites: ECO100Y1 (67%)/ECO105Y1 (80%);

MAT133Y1/(MAT123H1, MAT124H1)/(MAT135H1, MAT136H1)/MAT137Y1/MAT157Y1

Prerequisites are strictly checked and enforced and must be completed before taking a course. By taking this course you acknowledge that you will be removed from the course at anytime, if you do not meet all the requirements set by the Department of Economics. For further information you can consult the 2012-2013 Courses Calendar, which is available from the Registrar's Office.

Textbook:

Olivier Blanchard, David Johnson, Macroeconomics, Fourth Canadian Edition (2010).

You can use the older Canadian editions of the book, but you need to be careful about the differences in terms of materials, assignments and their solutions.

Lectures and Tutorials:

Lectures: Mondays 6:00 - 9:00PM and Wednesdays 7:00-9:00PM **Room KP 108**

Tutorials: Wednesdays 6:00- 7:00PM **Room KP 108**

Requirements:

There are two term tests scheduled as the table below, with 25% weight each. The final exam will have 50% share. If because of any emergency circumstances, acceptable by the university rules, you miss a term test, you must take a makeup test on **August 12, 2013**. The makeup test will cover **ALL COVERED CHAPTERS**, no matter which test you missed. If you miss a test, you must email me within 3 days, and submit the documentations to me or economics department front desk within a week of the missed test. It is your responsibility to contact me to reserve a place for the makeup test. You can miss at most one term test.

If you miss both term tests, you will receive zero mark for one of them, and you must take the makeup test for the other one. If you miss the makeup test, the missed test will receive zero mark, no matter why you missed the makeup test.

Website and Email:

- I will post notes, problem sets, solutions, announcements, and other related materials on Blackboard. It is your responsibility to follow up and get the announcements, and information about the tests, exam, and other issues.

- Notes posted on the website may not be complete. They will be completed in class. The complete version will **NOT** be available.

- Emails are used only as the last resort, and after checking the outline and website. For questions regarding the course materials you should talk to me or TA during the office hours. If you have short questions regarding the materials, you can send an email to the TA. In case of email, you should put your **last name and student ID# in the subject line, otherwise your email will not be read.**

Appeals:

For re-grading your term tests, you should submit the test paper, together with your detailed explanation, written on a separate paper, to me or the Economics Department within 2 weeks after the distribution of papers in class. You should NOT change, write, or put any mark on your test paper. No request will be accepted, after the deadline. In revision your grade can go either way, up or down.

NOTE: I do not accept appeals to receive more partial points, as granting partial points is subjective, and up to the graders, and consistent for everyone. But you can appeal if the graders have miscalculated your total mark or forgot to grade a part.

Academic Misconduct:

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties. Detailed information regarding academic integrity can be found at:

https://registrar.utoronto.ca/student/calendar/calendar_detail2.pl?Topic=Discipline%20Codes

Behavior and Conduct in Class:

No distraction in class will be tolerated. You are asked to leave the class if you distract the class by talking to others, or use of electronic devices like cell phone, iPod, or any other devices.

Other Issues:

- I really urge you to do problem sets, attend the tutorials, and use the office hours on a regular basis.

- I will follow the textbook very closely, but supplementary examples, graphs, and materials might be discussed in class. For the tests and exam, you are responsible for all the materials that are discussed in class.

- There might be some grade adjustments in terms of the final letter grade of the course, at the instructor's discretion. In case of petition for re-grading of the final exam, the adjustment may be revised.

Term tests schedule for the 2013 summer semester

	First Term Test	Second Term Test	Final Exam
Date	Wednesday June 12	Wednesday July 17	TBD
Time	6:00PM	6:00PM	
Weight	25%	25%	50%

Topics:

The tentative schedule of the course

Actual pace and coverage of the materials might be different

Topic	Chapter	Week	Topics
Introduction	2	1	Macroeconomic Data and Approach
Economies in Short Run	3 – 4	2	Goods and Financial Markets in Closed Economies
	4 – 5	3	Equilibrium in Goods and Financial Markets (IS and LM Curves)
	6 – 7	4	Goods and Financial Markets in Open Economies
	7 – 8	5	Equilibrium in Goods and Financial Markets in Open economies
Economies in Medium Run	9 – 10	6	Labor Market, Unemployment, Aggregate Demand and Supply
	11 – 12	7	Phillips Curve, Inflation, Unemployment, Output, Expectations
	12 – 13	8	Exchange Rate, Adjustments, Crises, Regimes, Credibility
Economies in Long Run	14 – 15	9	Economic Growth: Stylized Facts, Saving, Capital Accumulation, and Output Growth: Solow Model
	16	10	Technological Progress and Economic Growth
The Roles of Expectations in Economics and Policy Making	18-19	11	Financial Markets and Expectations
	20	12	Expectations, Consumption, and Investment