

Department of Economics
University of Toronto
ECO208Y1Y - L5101
Macroeconomic Theory
2013-2014

Lectures: M6-8pm (Location: LM161)

Tutorials: T6-7pm in the Fall and T7-8pm in the Spring (Location: SS2108)

Instructor: H el ene Desgagn es

Contact: helene.desgagnes@utoronto.ca, Room GE277, Max Gluskin House, 150 St. George St.

Office Hours: Mondays 4-5pm and/or by appointment.

Teaching Assistant: Nicolas Gendron-Carrier (nicolas.gendron.carrier@mail.utoronto.ca)

Course Description: ECO208Y1Y is a rigorous intermediate-level course in macroeconomics. The course develops a framework that is based on micro-foundations and is primarily intended for students in Economic Specialist programs and/or students considering graduate studies in economics. Throughout the course, you will learn tools to study macroeconomic questions. Topics covered in the course include: (i) measurement of output, prices, and business cycles, (ii) consumer's and firm's decision-making, (iii) saving and investment decisions, (iv) analysis of fiscal policies, (v) money and financial intermediation, (vi) international trade and exchange rates, (vii) unemployment, and (viii) economic growth.

Prerequisites: (From the 2013-2014 Course Calendar) ECO100Y1; MAT133Y1/(MAT123H1, MAT124H1)/(MAT135H1, MAT136H1)/MAT137Y1/MAT157Y1.

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 Course Calendar available from the Registrar's Office.

Textbook: The course is mostly based on the textbook *Macroeconomics* by Stephen D. Williamson, Fourth Canadian Edition. The textbook is available at the UofT Bookstore (214 College Street).

Grading and Exam Policy: 65% of the course grade will be from term work, and 35% from a final exam.

Term work includes three term tests and two short written assignments. The term tests will count toward 50% of the course grade. *Only the best two marks of the three term tests will be counted toward the term grade.* There will be **no make-up for term tests**. This implies that a student who did not take one (or more) of the tests will receive zero as the mark for this test. Under no circumstances will term weight be shifted to the final exam. Students wishing to have a term test or assignment re-graded must submit a re-grade form within two weeks of receiving the grade. The re-grade form is available on Blackboard.

The written assignments will each count toward 7.5% of the course grade. Building on the material covered in the course, you will be asked to analyze an economic issue and write a report no longer than one page, double-sided. Details will be given in class. You are encouraged to use all the

resources for writing support at the University of Toronto. Assignments will be due in class with a late penalty of 10% per business day. If a student fails to submit an assignment without proper documentation, he or she will receive zero as the mark for this assignment. Only the University of Toronto's official "Verification of Student Illness or Injury" form will be accepted (available on Blackboard).

Website: I will be using Portal/Blackboard to post announcements, problem sets, and other useful information. Please make sure you have access to the Blackboard page for the course. I will update the "Calendar" regularly to keep you informed of the material to be covered in the lectures and tutorials.

Tutorials: The teaching assistant, Nicolas, will go over the problem sets in tutorials. Please note that solutions to the problem sets **will not** be posted. If you miss a tutorial, it is your responsibility to obtain the notes from one of your classmates.

Email policy: Feel free to email me with any question or concern you may have. I will do my best to get back to you within 48 hours. For questions related to the material covered in tutorials, please contact Nicolas directly.

Accessibility: The University of Toronto provides academic accommodations for students with disabilities in accordance with the terms of the Ontario Human Rights Code. Students who require accommodations for a disability, or have any accessibility concerns about the course should feel free to approach me and/or the Accessibility Services Office (www.accessibility.utoronto.ca) as soon as possible.

Academic Integrity: Academic integrity is essential to the pursuit of learning and scholarship in a university, and to ensuring that a degree from the University of Toronto is a strong signal of each student's individual academic achievement. As a result, the University treats cases of cheating and plagiarism very seriously. The University of Toronto's Code of Behaviour on Academic Matters (www.governingcouncil.utoronto.ca/policies/behaveac.htm) outlines the behaviours that constitute academic dishonesty and the processes for addressing academic offenses. All suspected cases of academic dishonesty will be investigated following procedures outlined in the Code of Behaviour on Academic Matters.

Course Outline:

PART I: Introduction

Measurement	Chapter 2
Business Cycle Measurement	Chapter 3
The Work-Leisure Decision	Chapter 4A
Profit Maximization	Chapter 4B
A Closed-Economy 1-Period Macroeconomic Model	Chapter 5

PART II: 2-Period Framework

2-Period Model: Consumption-Saving Decision	Chapter 9A
2-Period Model: Government	Chapter 9B
A Real Intertemporal Model with Investment	Chapter 11

PART III: Money and Public Policies

A Monetary Intertemporal Model	Chapter 12
Models of Business Cycles	Chapter 13-14
Money, Banking, and Inflation	Chapter 17

PART IV: Open Economy

International Trade in Goods and Assets	Chapter 15
Money in the Open Economy	Chapter 16

PART V: Special Topics

Search and Unemployment	Chapter 6
Economic Growth: Malthus and Solow	Chapter 7

Important Dates:

First day of class	September 9, 2013
First tutorial	September 24, 2013
First term test	6-8pm October 22, 2013
Fall break (no class)	November 11-12, 2013
First assignment is due	November 19, 2013
Second term test	6-8pm December 3, 2013
No class (makeup Monday)	December 4, 2013
Classes resume	January 6, 2014
Third term test	Monday February 10, 2014
Reading week (no class)	February 17-18, 2014
Second assignment is due	March 4, 2014
Final Exam	April 2014 examination period

I hope you enjoy the course. Good luck!