

**ECO202Y1Y**  
**Macroeconomics Theory and Policy, Summer 2014**  
**University of Toronto, Economics Department**

**Instructor:** Masoud Anjomshoa

**Email:** masoud12@chass.utoronto.ca

**Office Hours:** Mondays and Wednesdays 4:30-5:30PM, Room 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, Fifth Canadian Edition (2015).**

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 - 8:00PM and Wednesdays 6:00 - 9:00PM

**Tutorials:** Mondays 8:00- 9:00PM (All lectures and tutorials are held in **Room WI 1016**)

**Note that I will use Wednesdays 8:00-9:00PM spots as the lecture.**

**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; its weight is added to the final exam weight. 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.

**You can't miss both term tests under any circumstances. If you miss both term tests, you will receive zero mark for one of them, and the weight for the other one is added to the weight of final exam.**

## **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](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 the final grade of the course, at the instructor's discretion. Also, in case of petition for re-grading of the final exam, the adjustment may be revised.

### Term tests schedule for summer 2014

	<b>First Term Test</b>	<b>Second Term Test</b>	<b>Final Exam</b>
<b>Date</b>	Wednesday June 11	Wednesday July 16	TBD
<b>Time</b>	6:00PM	6:00PM	
<b>Place</b>	Regular Classroom	Regular Classroom	
<b>Weight</b>	25%	25%	50%

### Topics:

#### The tentative schedule of the course materials Actual pace and coverage of the materials might be different

	<b>Chapters</b>	<b>Week</b>	<b>Topics</b>
<b>Introduction</b>	2	1	Macroeconomic Data and Approach
<b>Economies in Short Run</b>	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, and the Exchange Rate
<b>Economies in Medium Run</b>	9 – 10	6	Labor Market, Unemployment, Aggregate Demand and Supply
	11 – 12	7	Aggregate Demand and Supply, Liquidity Trap, and Supply Side Shocks
	12 – 13	8	Phillips Curve, Money Growth, Inflation, and the Natural Rate of Unemployment
	14	9	Exchange Rate, Adjustments, Crises, Regimes, Credibility
<b>Economies in Long Run</b>	15 – 16	10	Economic Growth: Stylized Facts, Saving, Capital Accumulation, and Output Growth: Solow Model
	17	11	Technological Progress and Economic Growth
<b>The Roles of Expectations in Economics and Policy Making</b>	19 and 21	12	Expectations, Real Interest Rate, Consumption, and Investment