

Joseph B. Steinberg
Department of Economics
University of Toronto
ECO202Y1Y — LEC0101
Macroeconomic Theory and Policy
2014–2015

Syllabus

Lectures: Tuesdays, 10am–12pm, SS2117 (**exception: AH100 in January**)

Tutorials: Fridays, 11am–12pm, MP203

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Office: Room 226, Max Gluskin House, 150 St. George Street

Office hours: 2–4pm on Tuesdays or by appointment

Teaching assistants:

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Course Description: ECO202 is an intermediate-level course in macroeconomics. Topics include: measurement of macroeconomic aggregates, short- and medium-term economic fluctuations, economic growth, international trade and exchange rates, analysis of fiscal and monetary policy, and the role of expectations in macroeconomic analysis.

Textbook: The textbook for this course is *Macroeconomics*, by Olivier Blanchard and David Johnson, Fifth Canadian Edition (I will often refer to it as “Blanchard”).

Grades: The course grade consists of term work worth 55% and a final exam worth 45%. Class participation is encouraged and I reserve the right to use class participation performance to make minor adjustments to your final course grade. Term work consists of 3 term tests and 3 written assignments. In the fall semester there will be two term tests, each worth 15% of your final grade, and one written assignment worth 5%. In the winter semester, there will be one term test worth 15%, one written assignment worth 5%, and the final exam.

Notes on tests:

- Tests (both term tests and the final) take the form of several short-answer questions, each of which usually has multiple parts. There will be no multiple choice or true/false questions. My tests aim to assess your understanding of course material, not your ability to memorize facts or do arithmetic. Expect to explain concepts in your own words, derive important model equations and results algebraically and explain their importance, and solve for equilibrium variables both algebraically and numerically.
- Term tests take place during class time. Please arrive at the exam location by 10am at the latest. The doors to the exam room will open at 10am sharp. Upon entering the room,

please form a line at the front by the desk. I and/or one of my TAs will distribute test materials. After collecting your test materials, please promptly find a desk.

- You may use non-programmable calculators only. No graphing calculators, mobile phones, or any other computational aids will be allowed.
- Please remember to bring your student ID card to the exam. After obtaining your test materials and finding a desk, please place your ID card on the desk. I, or one of my TAs, will take attendance during the exam by looking at your cards.
- **There will be NO makeup tests!** If you miss one term test, the weight for that test will be shifted to the final exam. You must submit documentation of your excuse for missing the test within one week of the test date. You must use the official UofT “Verification of Student Illness or Injury” form available here: <http://www.illnessverification.utoronto.ca/>. Please submit them at reception in the Department of Economics (150 St. George Street). **Any additional missed term tests will receive a score of zero, regardless of the reason!**
- For re-grading term tests, you must submit your test materials and a detailed description of your complaint **within 2 weeks** of receiving your test grade. No re-grade requests will be accepted after 2 weeks. **Note: your entire test will be re-graded, and your test score may go up or down!**

Notes on written assignments:

- The two written assignments will ask you to critically evaluate an article from a journalistic outlet like *The New York Times*, *The Economist*, etc. using the tools you learn in the course. I will post the articles on Blackboard along with more information about the assignments approximately two weeks before the assignments are due.
- You need to submit your written assignments online in **two ways**: on **Blackboard** and on **Turnitin.com** by the dates/times in the table below. No extensions will be granted for any reason (illness, computer problems, etc.) There is a 10% point (out of 100%) penalty per 24 hours for late assignments. In other words, if you would have received a score of 84% on a written assignment turned in on time, you will receive a score of 74% if you turn it in between 1 and 24 hours late, a score of 64% if it is between 24 and 48 hours late, and so on.

Notes on academic integrity:

- Academic integrity is of utmost importance to learning and scholarship at the University of Toronto. You are expected to adhere to the university’s *Code of Behavior on Academic Matters* (<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>). Cases of academic misconduct are taken very seriously and the consequences can be severe. All suspected cases will be reported to the Department of Economics and OSAI.
- Plagiarism is a concern with writing assignments. Your assignments must be submitted to **Turnitin.com**. Being unaware of what plagiarism entails is not a defense! You can find details about what constitutes plagiarism and how to avoid it here: <http://www.utoronto.ca/academicintegrity>.
- University of Toronto disclaimer on 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.”

Schedule of term work and final exam:

Test	Date	Time / location	Weight in course grade
1 st term test	10/21/2014	10am–12pm / TBD	15%
1 st written assignment	11/11/2014	10am online	5%
2 nd term test	12/2/2014	10am–12pm / TBD	15%
3 rd term test	2/10/2015	10am–12pm / TBD	15%
2 nd written assignment	3/10/2015	10am online	5%
Final exam	TBD	TBD	45%

Lectures, tutorials, and other course structure items: Lectures will typically cover new material from the textbook and supplementary sources. Tutorials on Friday will be usually led by the TAs, who will discuss solutions to recommended problems and term test questions, and answer your questions about material covered in the lectures. I reserve the right to use the tutorial time to cover additional lecture material if necessary. There will be several “writing tutorials” during the year that will focus on preparing you for the writing assignments.

I will post recommended problem sets, writing assignments, announcements, and other materials on Blackboard. It is your responsibility to check Blackboard often. Lecture notes posted on Blackboard will be incomplete, so you must attend lectures to obtain the necessary information to complete them. Notes will not be posted until after the relevant lecture. Recommended problem sets will not be graded, but I highly suggest that you do them as they are an excellent way to prepare for the term tests and final exam. The TAs will provide solutions to example problems during the tutorials. I encourage you to discuss the problems with each other through the discussion board on Blackboard.

Email policy: The best form of communication in this course is in person, either with me or with a TA, during or after lectures, tutorials, or during office hours. If you must contact me or one of the TAs by email, make sure to identify yourself and use your UTOR email account. Email from other addresses may not reach us. Also, please put “ECO202” somewhere in the subject line. I and my TAs reserve the right to respond to emails anytime within 48 hours after receiving them. Do not expect a response before those 48 hours are up.

Course outline:

Topic	Chapter(s)	Description
Introduction	1–2	Review of basic macroeconomic concepts: GDP, inflation, unemployment, etc.
The short run	3–5	Equilibrium in goods and financial markets, the IS-LM model
	6–7	Goods and financial markets in open economies
	8	Interest rates and exchange rates in open economies
The medium run	9–10	Labor markets, unemployment, and aggregate supply
	11–12	Inflation, unemployment, and the Philips curve
	13	Exchange rates in the medium run: flexible vs. fixed; the Eurozone; exchange rate crises
The long run	14	Stylized growth facts
	15–16	Saving and investment-fueled growth; technological progress
	17	Growth in open economies
Expectations	18	Introduction to expectations
	19	The role of expectations in financial markets
	20	The role of expectations for consumption decisions; permanent-income logic

Note: Actual pace and content of course may differ from above!