

Department of Economics
University of Toronto
ECO208Y1Y - L0101
Macroeconomic Theory
Summer 2014

Lectures: TW4-6pm (Location: MP202)

Tutorials: R4-6pm (Location: MP202)

Instructor: H el ene Desgagn es

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

Office Hours: Wednesday 2-3 and/or by appointment.

Teaching Assistant: Scott Orr (scott.orr@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 2014-2015 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, one short written assignment, and weekly one-minute papers. 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 assignment will count toward 10% of the course grade. Building on the material covered in the course, you will be asked to analyze an economic issue and write a one-page report. Details will be given in class. You are encouraged to use all the resources for writing support at the University of Toronto. The assignment will be due in class with a late penalty of 10% per business day. If a student fails to submit the 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).

Note that in addition to the hard copy, students will be required to submit their course essay to Turnitin.com for 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 website. The detailed procedure will be explained later.

Weekly in-class assignments will count toward the remaining 5% of the course work. At the end of the Wednesday lecture, you will be asked to answer a simple question to evaluate your comprehension of the material. These papers will not be graded, but you must submit at least 5 in order to get the full 5%.

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.

Tutorials: The teaching assistant, Scott, 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. Please make sure to send the email from your University of Toronto email account. For questions related to the material covered in tutorials, please contact Scott 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 Business Cycles

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	May 13, 2014
Class (no tutorial)	May 15, 2014
First tutorial	May 22, 2014
First term test (Location: SS1084)	May 28, 2014
Second term test (Location: SS1084)	June 18, 2014
Reading week (no class)	June 23-27, 2014
Classes resume	July 2, 2014
Third term test (Location: SS1084)	July 23, 2014
Assignment is due	July 30, 2014
Final Exam	August 2014 examination period

I hope you enjoy the course. Good luck!