

**Department of Economics**  
**University of Toronto**  
**ECO208Y1Y - L5101**  
**Macroeconomic Theory**  
**2015-2016**

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**Lectures:** T6-8pm (Location: SS2108)

**Tutorials:** M6-7pm (Location: SS2108) (*Note: The day of the tutorial may occasionally change*)

**Instructors:** H el ene Desgagn es

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

**Office Hours:** Tuesday 4:30-5:30pm and/or by appointment.

**Teaching Assistant:** Kevin Devereux (kevin.devereux@mail.utoronto.ca)

**Writing TA:** Michael Abramson (michael.abramson@mail.utoronto.ca)

**Course Description:** ECO208Y1Y is a rigorous intermediate-level course in macroeconomics and is primarily intended for students in Economic Specialist programs and/or students considering graduate studies in economics. Throughout the course, you will (i-) learn the micro-foundations in macroeconomic modelling, (ii-) use optimization theory to predict the actions of economic agents, (iii-) apply definition of equilibrium, and (vi-) analyze the impact of various shocks such as a new tax, or a technological improvement. Topics covered in the course include consumer's and firm's decision-making, the role of money, international trade, international finance, business cycles and economic growth.

**Prerequisites:** (From the 2015-2016 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 3 assignments. The term tests will count toward 45% 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 assignments will count toward 20% of the course grade. Building on the material covered in the course, you will be asked to analyze an economic issue. Details will be given in class. You are encouraged to use all the resources for writing support at the University of Toronto. The assignments 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).

**Website:** We 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, Kevin, 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 Kevin directly.

**Audio recording/Pictures:** If you want to record the lectures or take pictures of the board, you must first obtain my authorization.

**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](http://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](http://www.governingcouncil.utoronto.ca/policies/behaveac.htm)) outlines the behaviours that constitute academic dishonesty and the processes for addressing academic offences. All suspected cases of academic dishonesty will be investigated following procedures outlined in the Code of Behaviour on Academic Matters.

## Course Outline:

Measurement .....	Chapter 2
Business Cycle Measurement .....	Chapter 3
The Work-Leisure Decision .....	Chapter 4A
Profit Maximization .....	Chapter 4B
Closed-Economy 1-Period Macroeconomic Model .....	Chapter 5
Search and Unemployment .....	Chapter 6
Economic Growth: Malthus and Solow .....	Chapter 7
2-Period Model .....	Chapter 9
Real Intertemporal Model with Investment .....	Chapter 11
Monetary Intertemporal Model .....	Chapter 12
International Trade in Goods and Assets .....	Chapter 15
Money in the Open Economy .....	Chapter 16

## Important Dates:

<b>Assignment 1 is due</b> .....	October 20, 2015
<b>First term test</b> (Location: TBA) .....	October 26, 2015
Fall break (no classes) .....	November 9-10, 2015
<b>Second term test</b> (Location: TBA) .....	December 7, 2015
<b>Assignment 2 is due</b> .....	December 8, 2015
Classes resume .....	January 12, 2016
<b>Third term test</b> (Location: TBA) .....	February 8, 2016
Reading week (no classes) .....	February 15-19, 2016
<b>Assignment 3 is due</b> .....	March 22, 2016
Final Exam .....	April 2016 examination period

We hope you enjoy the course. Good luck!