

ECO202Y1Y
Macroeconomics Theory and Policy, Summer 2017
University of Toronto, Economics Department

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Office Hours: Thursdays, 1:00-2:30PM, Room GE164 (Only for May/June). Please check the Blackboard portal for the July/August office hours.

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 any time, if you do not meet all the requirements set by the Department of Economics. For further information you can consult the 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:

Hours	Mondays	Wednesdays
6:00 - 7:00	Tutorial	Lecture
7:00 – 9:00	Lecture	Lecture

Requirements:

Summer 2017 schedule

	Term Test#1	Term Test#2	Writing Assignment	On-Line Assignments	Final Exam
Date	Wednesday June 14	Wednesday July 19	Sunday, July 30	Spread over the semester	TBD
Time	During class hours	During class hours	6 PM, sharp		
Weight	20%	20%	10%	10%	40%

- You need to complete two term tests, a final exam, a writing assignment, and a bunch of graded on-line assignments, with the weights and schedules as in the table in above.

- 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 **hardcopy** of the documentations to me or economics department front desk within a week of the missed test. **Don't** send any scan of the documents by email.

- The details of the writing assignment will be announced later on. The assignment file must be received by email, before the deadline in the table below. The deadline will not be extended. No excuse like network failure or system interruption ... is acceptable.

- 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.

- The writing assignment and graded on-line assignments can't be replaced by anything else.

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. 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.

Academic Misconduct:

- Students should note that any form 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 a 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. All suspected cases will be reported to the Department of Economics and OSAI. Please consult with the university's *Code of Behavior on Academic Matters*:

(<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>).

- In order to avoid plagiarism, your assignments might be submitted to Turnitin.com. You can find the details about what plagiarism is and how to avoid it, check this link:

<http://www.utoronto.ca/academicintegrity>.

- The usual University of Toronto disclaimer on Turnitin.com is applied: “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.”

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.

Academic Aids and Support:

- **The Economics Study Center** is staffed by third- and fourth-year undergraduate students who work as peer mentors and can help you with this and many other courses, on a one-to-one basis or in study groups. The Center operates Monday to Thursday from 11:00 AM to 5:00 PM in room GE 110. Please consult with the Center’s website for more details:

<http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre>

- In order to receive helpful information for your writing assignments, you can use the services of several Writing Centers at the University of Toronto. A list of these Writing Centers can be found at <http://www.writing.utoronto.ca/writing-centres/centres>.

For more general advice on academic essay-writing, please refer to:

<http://www.writing.utoronto.ca/advice/general/general-advice>.

Other Issues:

- 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.

Topics:

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

	Chapters	Week	Topics
Introduction	2	1	Macroeconomic Data and Approach
Economies in Short Run	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
Economies in Medium Run	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
Economies in Long Run	15 – 16	10	Economic Growth: Stylized Facts, Saving, Capital Accumulation, and Output Growth: Solow Model
	17	11	Technological Progress and Economic Growth
The Roles of Expectations in Economics and Policy Making	19 and 21, and a selection of other chapters	12	Expectations, Real Interest Rate, Consumption, and Investment