

Macroeconomic Theory
ECO202Y 2017-18
Classroom: SS 2102
Section L0101 – Monday 2-5pm
Section L0105 – Monday 6-9pm

Course description

Modern macroeconomic theory attempts to explain how monetary policy, fiscal policy, and unforeseen ‘shocks’ impact the economy of nations. Topics include, but are not restricted to, employment, inflation, productivity growth (or lack thereof), interest rates, and exchange rates. In the first semester, our focus will be on how the economy works in the long run including economic growth. In the second semester, we will turn our attention to short run fluctuations and the microeconomic foundations of modern macroeconomics.

Instructor & TA information

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Prerequisites

Students must have completed the appropriate prerequisites to continue in this course:
<https://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

Learning outcomes

Successful students will be able to:

1. solve economic problems using theoretical models, algebra, and diagrams,
2. distinguish between short-run and long-run outcomes,

3. analyze the fundamentals of economic growth,
4. apply theory to critically analyze government policy,
5. evaluate the microeconomic foundations of macroeconomic models.

Class time

Lecture will be two hours. Partial lecture slides will be posted on blackboard. You are encouraged to print out the slides and make notes as we work together. Alternatively, you may wish to follow along on an electronic device capable of notetaking. Regardless, you should bring **pen and paper** to every class. Most weeks, the two hour lecture will be immediately followed by a tutorial. Some tutorials will give you a chance to see detailed solutions to homework problems. These tutorials are also an opportunity to ask me or the TA questions. Other tutorials will help you with the writing assignment.

Textbook

Jones, Charles I., *Macroeconomics*, W.W. Norton & Company, 4th edition (2017). This book is mandatory. The text covers most, but not all, of the course material.

Website

Additional course material and announcements will be posted on Blackboard through Portal.

Office Hours

Office hours are regularly held on Tuesdays from 3-5pm. You may book 15 minute sessions to discuss course material or administrative issues with me. To make a reservation, please visit the Google document: <https://docs.google.com/spreadsheets/d/1AbIoYNv1le9Vt4zM0WZTssPs1BnFrQ3IioDrOUQEjI0/edit#gid=0>. If this time does not work for you, please email me to arrange a meeting. I will do my best to accommodate you within a reasonable amount of time.

Email policy

The best form of communication in this course is in person, either with myself or a TA, during lecture, tutorials, and office hours. Generally, I do respond to question about course content via email. In the event that an e-mail communication is needed, please make sure to always identify yourself and to use your UTOR e-mail account (the “utoronto” account). E-mails from other accounts may not reach my inbox. For e-mails asking for a reply, I will reply within three business days. If I fail to do so, you should assume I forgot and re-send your message to remind me. Please include the course code, your full name as it appears on Acorn, preferred name, and student number in the body of the email. Also, please include the course code in the subject line.

Evaluations

	Date	Location	Grade
Test 1 ^a	Oct 23	TBA	10%
Test 2	Dec 7	TBA	15%
Test 3	Feb 12	TBA	15%
Written assignment 1 ^b	Nov 20, 11:55am	online	5%
Written assignment 2	Mar 19, 11:55am	online	5%
Participation	2.5% per semester	in-class	5%
Final exam	Final exam period ^c	TBA	45%

^aTerm tests will begin at 7:00pm on Mondays. The location will be announced on Blackboard and in-class.

^b The writing assignments will be posted two or three weeks prior to the due date.

^cThe Final Exam Period covers April 9 to April 30. Please do not make any travel arrangements until May 1, 2018.

Participation

Participation grades can be earned in the following ways: (i) attending class, (ii) correctly answering iClicker questions, and (iii) participating in class discussions. For test or exam reviews, I will create a sign-up sheet where you can volunteer to present solutions to selected problems. These will be based on a first-come first-serve basis. At the end of the academic year, if you facilitate learning in the classroom in a remarkable fashion, I reserve the right to boost your final grade.

iclicker

During all lectures iClicker questions encourage you to prepare for class, talk about economics, and identify misunderstandings. Like any class participation, quality matters. Correct iClicker responses earn full marks. This will encourage you to complete the assigned readings and remain attentive in class.

It is your responsibility to: correctly register your iClicker, bring it to class, arrive on time, and stay for the entire class. You may collaborate with your classmates: in fact, you are encouraged to. To register (or re-register) go to <https://www1.iclicker.com/register-a-remote>. You MUST use your UTORid – NOT your student # – as your ‘Student ID.’ You must properly register before the last class (or your iClicker mark will be zero). Your replies are recorded even if you are not registered, but registration tells us who gets credit for that work. If you encounter a \$6.99 fee for registering your remote, please see me after class: bring your iClicker remote and TCard.

How can I tell if my iClicker is working? When your response is received by an iClicker base, a green light illuminates on your iClicker remote. Please make sure to vote only while voting is active in our class. A red light (or no light) indicates a problem. The last answer you press (while voting is still active) is graded. Nearly all strange remote behavior can be fixed by replacing ALL batteries. For support call 866-209-5698 or visit <http://support.iclicker.com/>.

How can I be sure if I am earning marks with my iClicker? There are two separate requirements: (1) attend class, answer while voting is active, and get a green light and (2) properly register with your UTORid. Check (1) during class. To check (2), go to

<https://www.iclicker.com/find-your-remote-id>, enter your UTORid, and make sure your registration is active.

Missed tests and assignments

There will be no makeup term tests! If you miss one term test, regardless of the reason, the weight for that test will be shifted to the final exam. Any additional missed term tests will receive a score of zero, regardless of the reason! If you miss a term test, you must submit the official UofT “Verification of Student Illness or Injury” form to me in person within one week. You can find the form here:

[http://www.illnessverification.utoronto.ca/document/Verification%20of%20Student%20Illness%20\(VOI\)%20-%20Oct%2027%202016.pdf](http://www.illnessverification.utoronto.ca/document/Verification%20of%20Student%20Illness%20(VOI)%20-%20Oct%2027%202016.pdf)

With respect to the two assignments, a late penalty will be applied. Assignments submitted late, starting immediately after the deadline, will be penalized 15% every 24 hours. For example, if you are between 0 and 24 hours late, you will lose 15%. If you are between 24 hours and 48 hours late, you will lose 30%. No extensions will be granted under any circumstances (illness, computer problems, etc.)

Appealing your grade

Disputes over the evaluation of a test should be discussed with me. Disagreement with the marking means that an error might have been made – for instance, the marker failed to consider a part of your answer. Conversely, suggesting that you believe you deserved a higher grade is not a valid reason for a re-grade. After reviewing the solution posted on the course website, submit in person the re-grade request form on Portal. You must submit your appeal no later than one week after the solutions have been posted on Portal. Please note that all questions of the test will be remarked and not only the question in dispute.

Economics Study Centre

The Economics Study Center is staffed by third- and fourth-year undergraduate students who act as peer mentors to Economics and Commerce students. The peer mentors assist students on a one-to-one basis or in study groups. The Centre will operate at a time and location to be determined. Further information can be found on the Centre’s website:

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

Crowdmark

The department of economics has secured Crowdmark for all of our undergraduate course offerings. Crowdmark is a ‘collaborative online grading and analytics platform that helps educators evaluate student work more effectively.’ Your term tests and assignments will be scanned and uploaded to Crowdmark. It is here that your work will be graded.

Academic integrity

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community which honours the values of honesty, trust, respect, fairness and responsibility and to protect you, the students within this community,

and the value of the degree towards which you are all working so diligently. According to Section B of the University of Toronto's Code of Behaviour on Academic Matters <http://www.governingcouncil.utoronto.ca/Assets/Governing+Council+Digital+Assets/Policies/PDF/ppjun011995.pdf>, which all students are expected to know and respect, it is an offence for students:

- To obtain unauthorized assistance on any assignment.
- To provide unauthorized assistance to another student. This includes showing another student completed work (e.g., an answer on a test).
- To falsify or alter any documentation required by the University. This, includes, but is not limited to, doctor's notes.
- To use or possess an unauthorized aid in any test or exam (e.g., a cell phone).
- To continue writing when the time is up in any test or exam.
- To submit a medical note to get out of a test when the student is not actually sick.

There are other offenses covered under the Code, but these are by far the most common. Please respect these rules and the values which they protect. For useful tips for avoiding academic misconduct, please visit the website of the Office of Student Academic Integrity at <http://www.artsci.utoronto.ca/osai/students/avoid-misconduct>.

Plagiarism

I ask you to submit your writing assignments to Crowdmark and Turnitin.com. Crowdmark instructions can be found here: <https://crowdmark.desk.com/customer/en/portal/articles/1639407-completing-and-submitting-an-assignment>. Additionally, students must submit their term paper to Turnitin.com for the detection of possible plagiarism. That means you will submit **TWO** copies of each writing assignment. More detailed procedures for submission will be announced later. The University requires that the following paragraph be included in the syllabus of all courses using Turnitin.com:

'Normally, students will be required to submit their 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.'

Please note that you are not obligated to submit your paper to Turnitin.com. If you object to submitting your paper to Turnitin.com, let me know one week prior to the due date and I will offer you a reasonable alternative.

Fall semester course content

<i>Week</i>	<i>Topic</i>	<i>Chapter</i>	<i>Homework</i>
Sep 11	Introduction	Ch.1	J. #5*,6*
Sep 18	Measurement	Ch.2	J. #2*,3,4,5,7,8,9
Sep 25	Growth & production	Ch.3,4	J.Ch.3 #3*,6*,9, Ch.4 #1*,2,3*
Oct 2	Solow growth model I	Ch.5	J. #1,2,3*,4,5,6*,8de,9,10
Oct 9	<i>Thanksgiving</i>		
Oct 16	Growth & ideas	Ch.6,app	J. 1,2*,5,6*,7*,9,10 app.1-4,5
Oct 23	<i>Term test I – covers ch.1-6 except the appendix to ch.6</i>		
Oct 30	Growth	readings	Posted questions
Nov 6	<i>Reading Week</i>		
Nov 13	Labour market I	Ch.7	J. #3,4,5*,7,8,10*,11
Nov 20	Labour market II	readings	Posted questions
Nov 27	Inflation	Ch.8	J. #1,2*,4,5,6*,7,8,9
Dec 4	Midterm review		
Dec 7	<i>Term test II – covers chapter 3-6, ch.6 app., ch.7,8 and readings</i>		

Note: A star denotes that the question has been solved in the textbook. The schedule is *tentative*. Any changes to the schedule will be announced on Blackboard and in class.

Winter semester course content

<i>Week</i>	<i>Topic</i>	<i>Chapter</i>	<i>Tutorials & Homework</i>
Jan 8	The Great Recession I	Ch.9,10	J. Ch.9 #3,4,5,7,8, Ch.10 #5,6
Jan 15	The IS curve	Ch.11	J. 1,2*,3-10,11*
Jan 22	Monetary policy	Ch.12	J. #2,3,4*,5,6,8,10,12*
Jan 29	AD-AS model	Ch.13	J. #1,3,6,7,8,9*,11,13*,16
Feb 5	The Great Recession II	Ch.14	J. #1,2*
Feb 12	<i>Term test III – covers ch.9-14</i>		
Feb 19	<i>Reading Week</i>		
Feb 26	DSGE models	Ch.15	J. #1*,2-8
Mar 5	Consumption Theory	Ch.16	J.#1*,2,3,4,5,6
Mar 12	Investment dynamics	Ch.17	J. #1*,2,3,4,6,7,8
Mar 19	The role of government	Ch.18	
Mar 26	International trade	Ch.19	
Apr 2	International finance	Ch.20	

Note: A star denotes that the question has been solved in the textbook. The schedule is *tentative* – any changes will be announced on Blackboard and in class.

Get-to-know-your-classmates game – My fav!

1. Introduce yourself to someone you don't already know.
2. See which question she/he can answer, record her/his name and move on to meet another colleague!

Who commutes to campus for more than an hour?

Who lives on campus or less than a 30-minute walk away?

Who plays a musical instrument?

Who has visited or lived in South America?

Who recently spent a semester abroad?

Who plays for a U of T Varsity Blues team ?

Who is a member of a recognized campus group at U of T?

Who can share how he/she believes this course will benefit her/his future career?