

Macroeconomic Theory
ECO208Y 2017-18
Section L0101, Classroom: RW 110
Thursday 11-1pm, Friday 2-4pm

Course Description

Modern macroeconomic theory is an intermediate-level course that attempts to explain how monetary policy, fiscal policy, and unforeseen "shocks" impact the economy of nations. Our approach will be founded on microeconomic theory and principles. Topics include, but are not restricted to, measurement of aggregate economic variables and business cycles, analysis of government policies, unemployment, economic growth, business cycles and monetary policy, international trade and exchange rates. Once we have gained a solid theoretical foundation, we will study how theory is applied in practice to gain a better understanding of the world economies.

Instructor information

Robert J. McKeown
Assistant Professor, Teaching Stream
Department of Economics, University of Toronto
150 St. George St. Room 342
Office Hours: Tuesday 3:00 - 5:00pm

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:

- explain the theory underlying unemployment, inflation, productivity and exchange rates.
- solve economic problems using theoretical models, calculus, and diagrams.
- distinguish between short-run and long-run outcomes.
- contrast fiscal and monetary policy in open and closed economies.
- apply theory to predict how fiscal and monetary policy will affect key economic outcomes such as unemployment and aggregate income.

Class time

	Day	Time
Lectures	Thursdays	11:00 - 1:00pm
Tutorials	Fridays	2:00 - 4:00pm

As per the schedule, lecture will be two hours. On occasion, I will lecture during tutorials. Tutorials will give students the opportunity to work through the mathematics and better prepare for tests and examinations.

Textbook

Williamson, Stephen, *Macroeconomics: Canadian Edition*, Pearson Education, 5th Canadian edition (2014). This book is mandatory. The text covers most, but not all, of the models and concepts covered in class.

Website

Announcements and course material will be posted on Blackboard through Portal.

Office Hours

You may book 15 minute sessions to discuss course material or administrative issues. To make a reservation, please visit the Google document: <https://docs.google.com/spreadsheets/d/1AbIoYNv1le9Vt4zM0WZTssPs1BnFrQ3IioDrOUQEjI0/edit#gid=0>.

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. 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. Generally, I do not answer students questions via email.

Evaluations

Date		Grade
Test 1		25%*
Test 2		25%*
Test 3		25%*
Final exam	Exam period covers April 9 to April 30	50%

Note: time and location of term tests will be announced on Blackboard and during lecture.

Your best two term test grades will each count for 25 percent of your final grade. No make-up test will be provided for any reason. If you miss more than one term test, you will receive a grade of zero, regardless of the reason!

Appealing your grade

Disputes over the evaluation of a test should be discussed with the instructor.

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-marking. After reviewing the solution posted on the course website, submit in person a brief note clearly indicating the reasons for your disagreement with the grade. You should include the link to your test or paper in Crowdmark, without any attachments. You must submit your appeal within two weeks after the test is returned to students. 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 this year 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 paper will be scanned and uploaded to Crowdmark, and it is here that your work will be graded.

Course content

<i>Topic</i>	<i>Chapter</i>	<i>Description</i>
Introduction	1	Introduction
	2	Measurement
	3	Business cycle measurement
One-period models	4	Consumer and firms behaviour
	5	Closed-economy
	6	Search and unemployment
Economic growth	7–8	Malthus and the Solow model
Saving and investment	9	Consumption-savings
	10?	Credit market imperfections
	11	A two-period model of investment
Money and business cycles	12	Money and banking
	13–14	Business cycles
International macroeconomics	15	International trade
	16	Money in the open economy
Money, banking, and inflation	17	Money, inflation, and banking
	18	The Phillips Curve
Note that the material in some chapters will be complemented bit parts of the mathematical appendix from the textbook and also from additional notes.		