

**Macroeconomic Theory**  
*ECO208Y 2017-18*  
*Section L0101, Classroom: RW 110*  
*Tuesday 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 events (exogenous shocks) impact an economy. 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. As a student in this course, you will have an opportunity to learn the math behind modern macroeconomic models, work with empirical data, and analyze economic policy in writing.

## **Instructor & TA information**

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### **TAs that help grade but do not hold office hours:**

Matthew Bell: [mattheww.bell@mail.utoronto.ca](mailto:mattheww.bell@mail.utoronto.ca)  
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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. explain the theory underlying unemployment, inflation, productivity and exchange rates,
2. solve economic problems using theoretical models, calculus, and diagrams,
3. apply theory to predict how fiscal and monetary policies will affect key economic outcomes such as unemployment and aggregate income,
4. describe the consumer's problem, firm's problem, and the definition of equilibrium for a variety of modern macroeconomic models,
5. write a thoughtful, economic critical analysis of government policy using empirical data.

## Class time

	Day	Time
Lecture	Tuesdays	11:00 - 1:00pm
Tutorial	Fridays	2:00 - 4:00pm

Except for the first class of **each** semester, lecture will be two hours on Tuesdays. Tutorials held on Fridays will give you the opportunity to work through the mathematics needed for test questions. These will be conducted either by the teaching assistant, Paul Zibo Han, or myself. Some tutorials will focus on the writing assignments – particularly how to work with data, create diagrams, and apply economic critical thinking in writing.

## 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.

Students are expected to bring their iClicker remote to class. You may buy a used iClicker, borrow an iClicker or share an iClicker with anyone that is not currently taking ECO208.

## Website

Announcements and additional 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>. If this time does not work for you and you would like to meet with me, please email me to arrange a meeting. I will do my best to accommodate you within a reasonable period 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	Fri, Oct 20	in-class	20%*
Test 2	Mon, Dec 5	in-class	20%*
Test 3	Fri, Feb 16	in-class	20%*
Written assignment 1	Mon, Nov 20, 11:55am	Blackboard	7.5%
Written assignment 2	Mon, Mar 19, 11:55am	Blackboard	7.5%
Participation	(2.5% each semester)	in-class	5%
Final exam	Exam period: April 9–30	TBA	40%

\*Term tests will be written during class time. Only your two best term tests will count toward your final grade. The writing assignments will be posted two to three weeks prior to the due date.

## Missed tests and assignments

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! For assignments submitted late, starting immediately after the deadline, every 24 hours period will result in a 15% penalty per assignment. For example, if you are between 0 and 24 hours late, you will lose 15%. If you are between 24 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 could mean 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.

## 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.

## **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>

## **English Language Learning**

ELL supports all U of T undergraduates enrolled in the Faculty of Arts and Science whose first language is not English (ESL or multilingual students), as well as native speakers seeking to improve their English language skills. Learn more at:

<http://www.artsci.utoronto.ca/current/advising/ell>

## **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 that honours the values of honesty, trust, respect, fairness and responsibility. It's goal is 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.
- provide unauthorized assistance to another student. This includes showing another student completed work (e.g., an answer on a test).
- falsify or alter any documentation required by the University. This, includes, but is not limited to, doctor's notes.
- use or possess an unauthorized aid in any test or exam (e.g., a cell phone).
- continue writing when the time is up in any test or exam.
- 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 that 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.

## Course content – Fall

<i>Date</i>		Topic	<i>Practice problems</i>
Sep 8	Lecture	Ch.1 Introduction	W. #1
Sep 12	Lecture	Ch.2 Measurement	W. #1,2,3,5,11,12
Sep 15		<i>no-class!!</i>	
Sep 19	Lecture	Ch.3 Business cycle measurement	W. #1,3
Sep 22	Tutorial	Selected problems will be solved	
Sep 26	Lecture	Ch.4 Consumer and firm behaviour	W. #8,10,12,13,16,17
Sep 29	Tutorial	Selected problems will be solved	
Oct 3	Lecture	Ch.5 One-period economy p.122-151	W. #1,2,4,5,6
Oct 6	Tutorial	Selected problems will be solved	
Oct 10	Lecture	Ch.6 Search and unemployment	W. #1-5,8
Oct 13	Tutorial	Selected problems will be solved	
Oct 17		Term test review	
Oct 20		Term test 1 – covers chapters 1-5	
Oct 24	Lecture	Ch.7 Economic growth I	W. #1,2,4,5,6,7
Oct 27	Tutorial	Writing assignment I	
Oct 31	Lecture	Ch.7 Economic growth II, begin Ch.8	W. Ch.7 #10,11,12
Nov 3	Tutorial	Writing assignment II	
Nov 5-9		<i>Reading Week!</i>	
Nov 14		<i>no-class!!</i>	
Nov 17	Lecture	Ch.8 Endogenous growth, begin Ch.9	W. Ch.8 #2,6,10
Nov 21	Lecture	Ch.9 Two-period model of consumers	W. #1-4,8,11
Nov 24	Tutorial	Selected problems will be solved	
Nov 28		Term test review	
Dec 1	Tutorial	Selected problems will be solved	
Dec 5		Term test 2 – covers chapters 5-9	
		ENJOY THE HOLIDAYS!!!	

Note: Let W. represent end of chapter problems from Stephen Williamson's textbook. Students are expected to read chapters prior to lecture. After selected problems are solved in tutorials, the remaining time will be open to student questions (just like office hours). The schedule is *tentative*. Changes will be announced in class and on Blackboard.

## Course content – Spring

<i>Date</i>		<i>Topic</i>	<i>Practice problems</i>
Jan 5	Lecture	Ch.11 Intertemporal model of investment I	W. Ch.
Jan 9	Lecture	Ch.11 Intertemporal model of investment II	W. Ch.
Jan 12	Tutorial		
Jan 16	Lecture	Ch.12 Monetary policy I	W. Ch.
Jan 19	Tutorial		
Jan 23	Lecture	Ch.12 Monetary policy II	W. Ch.
Jan 26	Tutorial		
Jan 30	Lecture	Ch.13 Two business cycle models	W. Ch.
Feb 2	Tutorial		
Feb 6	Lecture	Ch.14 New Keynesian economics	W. Ch.
Feb 9	Tutorial	Ch.	
Feb 13		Term test review	
Feb 16		Term test 3 – covers chapters 11-13	
Feb 19-23		<i>Reading Week!</i>	
Feb 27	Lecture	Ch.15 Inflation & Phillips curves	W. Ch.
Mar 2	Tutorial	Writing assignment III	
Mar 6	Lecture	Ch.16 International trade	W. Ch.
Mar 9	Tutorial		
Mar 13	Lecture	Ch.17 Money in the open economy	W. Ch.
Mar 16	Tutorial		
Mar 20	Lecture	Ch.18 Money, inflation, & banking	W. Ch.
Mar 23	Tutorial		
Mar 27		Final exam review	
Mar 30		Good Friday – No Class	
Apr 4	Tutorial	Selected problems and further review	
Apr 9-30		Exam period	

Note: I will assign homework questions prior to the start of classes in January. The schedule is *tentative*. Changes will be announced in class and on Blackboard.



## 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 or summer aboard?

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?