

University of Toronto, Economics Department, Academic Year 2018-19
Macroeconomics Theory and Policy: ECO202Y1
Sections L0101, L0201, L5101

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Office Hours: Wednesdays 2:30 - 4:00PM, Thursdays 1:00 - 2:30pm, Room GE344. This schedule will be revised for winter 2019, check the course Quercus website.

Tutorials and Lectures:

Section	Lecture	Lecture/Tutorial
L0101	2 – 4 PM	4 – 5 PM
L0201	6 – 8 PM	8 – 9 PM
L5101	10 AM – 12 PM	9 – 10 AM

Based on this schedule, in general, we have 3 hours of lecture in one week, and 2 hours of lecture plus 1 hour of tutorial in the next week.

- There could be exceptions to this schedule. Please consult with the Quercus website to check which weeks we have tutorials.
- In the first week of classes we will have 3 hours of lecture.
- The TAs may run extra tutorials within or outside the tutorial time slots for writing assignments, if necessary.

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, ECO209Y1

Prerequisites: ECO100Y1 (67%)/(ECO101H1(63%), ECO102H1(63%))/ECO105Y1 (80%); MAT133Y1/(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 2018-2019 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 edition of the book at your own risk. You need to be careful about the differences in terms of materials, assignments and their solutions.

Evaluations:

For this course, you need to complete two term tests, a final exam, two writing assignments, and a bunch of graded on-line assignments, with the weights and schedules shown in the table in below.

Evaluation	Weight	Date	Time
First Term Test	15%	Friday Nov. 2, 2018	Within 6:00 - 8:00PM period
Writing Assignment#1	5%	Dec. 2, 2018	Before 6:00PM, Sharp
Second Term Test	15%	Friday Jan. 25, 2019	Within 6:00 - 8:00PM period
Third Term Test	15%	Friday March 15, 2019	Within 6:00 - 8:00PM period
Writing Assignment#2	5%	March 24, 2019	Before 6:00PM, Sharp
Graded Assignments	10%	Spread over the fall/winter semesters	
Final Exam	35%	TBD	TBD

- There will be **no** make-up test. If for any emergency circumstances, acceptable by the university rules, you miss a term test, the weight will be shifted to the final exam. In case of missing a test, you should inform me by email within two days from the test, and submit the **hardcopy** of your documentations within a week of the missed test to me, or the economics department front desk. Please do not send the scan of the documents by email. **If you miss more than a term test, one will be replaced by the final exam, and the rest will receive ZERO under ANY circumstances.**

- The details of the writing assignments will be announced later on. I may decide to check your assignments by Turnitin. The deadlines for writing assignments will not be extended, so no late deduction is applicable. No excuses like network failure or system interruption ... is acceptable. If you miss the writing assignments, they cannot be substituted by anything else.

- The graded assignments will be posted on the course Quercus website, each covering a few chapters, and are in multiple-choice format. Make sure you don't miss them, by regularly checking Quercus. If you miss them, they cannot be substituted by anything else.

- You have plenty of time to finish the writing assignments and graded assignments, but please don't leave them to the last minutes, as many problems including system technical problems or medical emergencies may arise. So, no medical or health certificates are accepted for writing assignments or graded assignments.

Emails, Quercus Messages (Inbox), and Quercus Website:

- I will use the Quercus messages (Inbox) in order to send mass emails to all students in the course. So, it is your responsibility to check your Quercus Inbox, on a regular basis, in order to get my messages. However, I will **NOT** expect to receive any contacts or messages in my Quercus Inbox. So, I may not check it. Also, I may **NOT** monitor, follow, and intervene any possible students' conversations in Quercus.

- In order to communicate with me, you must use your UofT email address and my UofT email address (given in above). Essentially, emails are used only as the last resort, and after checking the course outline and website announcements. I may address the issues sent by email in class, instead of replying by email. For questions regarding the course materials you should talk to me or TA during the office hours, class, or tutorials. In case of email, you should put the **course name and section in the subject line, otherwise I will not open your email.**

- I will post all the course materials including the writing assignments instructions, graded assignments, exercises and solutions, announcements, and other related materials in the course Quercus. It is your responsibility to check the website, on a regular basis, to get the information.

- Notes posted on the website may not be complete. They will be completed in class. The complete version will **NOT** be available. If you are expected to miss a class, please make proper arrangements with your classmates to complete your notes.

Appeals:

For re-grading your term tests, you should submit a written request (hardcopy) including your detailed justifications for regrading and a copy of the parts of your test paper that should be regarded to me or the Economics Department, within 2 weeks after returning the results to students. After this period, no request is accepted. Writing things like **“I believe I should receive more partial marks for this question”** is not a good basis for re-grading. I may decide to regrade the whole test paper, so your grade can go either way, up or down after re-grading.

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 Integrity:

- 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 may 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.”

Academic Aids and Support:

- **The Economics Study Center** (Room GE110, open daily) 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. Please consult with the Center’s website for place, operation times, and other details:

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

- In order to receive helpful information for your essays, 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.artsci.utoronto.ca/current/advising/ell>

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 marginal grade adjustments for the final grade of the course at the instructor's discretion, in terms of letter grade. In case of petition for re-grading of the final exam, the adjustment may be revised.

Topics:

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

Topic	Chapter	Week	Materials
Introduction	2	1 - 2	Macroeconomic Data and Approach
Economies in Short Run	3 - 4	3 - 4	Goods and Financial Markets in Closed Economies
	4 - 5	4 - 5	Equilibrium in Goods and Financial Markets (IS and LM Curves)
	5 - 6	6 - 7	Goods and Financial Markets in Closed Economies
	7 - 8	8 - 10	Equilibrium in Goods and Financial Markets in Open Economies
Economies in Medium Run	9 - 10	11 - 13	Labor Market, Unemployment, Aggregate Demand and Supply
	11	14	Aggregate Demand and Supply under Liquidity Trap
	12 - 13	15 - 16	Phillips Curve, Money Growth, Inflation, and NAIRU
	14	17	Exchange Rate, Adjustments, Crises, Regimes, Credibility
Economies in Long Run	15 - 16	18 - 20	Economic Growth: Stylized Facts, Saving, Capital Accumulation, and Output Growth.
	17	21	Technological Progress, and Economic Growth
Expectations and Economic Policies	19 & 21	22 - 24	Expectations, Real Interest Rate, Consumption, and Investment