University of Toronto
Department of Economics
ECO208Y1—L5101
Macroeconomic Theory
2018-19
Professor Murat Alp Celik

**Lectures:** Monday 6:00-8:00 pm, OI 2212

**Tutorials:** Tuesday 6:00-8:00 pm, OI 2212

**Instructor:** Murat A. Celik, murat.celik@utoronto.ca, Office hr: Mon 4:00-5:00 pm, GE 229

**TA 1:** Cory Langlais, cory.langlais@mail.utoronto.ca, Office hr: Tue 10:00am-12:00pm, GE 040

**TA 2:** Rami Ramahi, rami.ramahi@mail.utoronto.ca – Grading only.

**Course Description:** ECO208 is an intermediate-level course in macroeconomics. In this course, tools to study macroeconomic events and policies are developed using a framework that is based on micro-foundations – the dominant approach in macroeconomics since the Lucas Critique. The following topics will be covered: 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. While the aim is to develop the theoretical tools with which to analyze the macroeconomy, data from several countries will be used to provide examples and to broaden the understanding of the global economy.

**Prerequisites:** ECO100Y1; MAT133Y1/(MAT135H1, MAT136H1)/MAT137Y1/MAT157Y1.

Note that I cannot waive the prerequisites, and enrolment is handled by the department. If you need help with enrolment, you can contact the undergraduate administrator at your department (different for commerce students). See the course policy of the economics department at: https://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites

**Textbook:** We will use "Macroeconomics" by Stephen Williamson (fifth Canadian edition). You can purchase the book at the University of Toronto Bookstore on campus.

**Grading and Exam Policy:** The course grade will consist of term work (60% of the final grade) and a final exam (40%). Term work will include three midterm exams and two written assignments.

The current plan is to have the midterm exams during class time or in tutorial hours, in our regular room; but this may be subject to change later on. If there is a change, it will be announced on the course website.

While there will be three midterm exams, **only the best two of the three midterm tests will count towards the final grade.** Each of the best two tests will count for 25% of the final grade.

**There will be NO make-up for midterm exams.** This means that if a student fails to take two midterm exams, the grade for one of the exams will be zero – i.e. 0 for 25% of the final grade. Failing to take all three midterm exams means 0 for 50% of the final grade.

**Make sure you check the important dates at the end of this document to ensure that there are no conflicts with the exam dates.** You are responsible for reporting the conflict within the first two weeks of classes so that accommodations can be made.

The remaining 10% of the grade for term work will be determined by the two written assignments, which will have a weight of 5% each. The assignments will be submitted online, and a paper copy will be handed in at the beginning of the class on the due date. If the deadline is missed, students can submit it within 7 days, but this will result in a late penalty of 30% of the grade for the assignment. The late penalty may be waived if the student is ill and provides appropriate medical documentation.

Only the university's official "Verification of Student Illness or Injury" form signed by a medical doctor will be accepted as proof of illness for missed work or tests. The doctor must confirm that the student is too ill by the due date of an assignment or the test date. If this occurs, the student is responsible for contacting the instructor (see e-mail above) on the due date/test date. The assignment will be due for the next class following the "anticipated end date" on the form. Late submission penalties apply unchanged given this new due date.

Class participation is highly encouraged, and will count positively towards marginal adjustments to the final course grade. Class attendance is also highly encouraged, but this will not be enforced (i.e. there will be no pop-up quizzes or attendance sheets). However, it should be understood that the student bears responsibility for missing any lectures. Since the examinations will rely on the material covered during the lectures, missing too many lectures will without a doubt lead to a low performance. The TA or the instructor are not responsible to help you catch up with missed lectures; this is the student's responsibility.

**Re-grading Policy for Term Work:** Students who want to have a midterm test or assignment re-graded must submit a re-grade form **within two weeks of receiving the grade.** This form will be made available on the course website. The form can be handed in before or after a lecture, or a scanned version can be sent to murat.celik@utoronto.ca.

**Re-grading Policy for Final Exam and Course Mark:** Final exams are subject to different rules. You need to contact the Faculty of Arts and Sciences for viewing your final exam, and requesting a re-grade. Refer to the information provided in the following links:

http://www.artsci.utoronto.ca/current/exams/examview
http://www.artsci.utoronto.ca/current/exams/rr

**Sample Problems:** Suggested sample problems will be assigned for the topics covered in class, but they will not be handed in or graded. On most weeks, the TA will go over some of the problems and answer questions during the tutorial hours.

**Office Hours:** Both I and Cory will hold office hours. See the first page for the times and locations.

**Contact Policy:** The preferred method of communication is in person, either with me or Cory during lecture, tutorials and office hours. **Due to the size of the class, I will not be able to answer questions pertaining to the course material via e-mail.** For other inquiries, please make sure that your question is not already answered on the syllabus or the announcements posted on the course website. If you need to contact me by e-mail, please make sure to identify yourself and use your utoronto.ca e-mail account. This is to prevent missing e-mails due to the spam filter.

**Quercus (course website):** This course uses the University's learning management system, Quercus, to post information about the course, including materials required to complete class activities and course assignments, share important announcements and updates, and foster academic discussion between learners. The site is dynamic and new information and resources will be posted regularly as we move through the term. The principal source of information about all course-related work will be the course site in Quercus, so please make it a habit to log in to the site on a regular if not daily basis. Please note that any grades posted within the Quercus Grade Centre are posted for your information only, so you can view and track your progress through the course. No grades are considered official, included any posted in Quercus at any point in the term, until they have been formally approved by the Course Instructor at the end of the course.

**Ongoing Learning Disability or Accommodation Requirement:** Students with diverse learning styles and needs are welcome in this course. If you have an ongoing disability issue or accommodation need, you should register with Accessibility Services (AS) (http://www.studentlife.utoronto.ca/as) at the beginning of the academic year. Without registration, you will not be able to verify your situation with your instructors, and instructors will not be advised about your accommodation needs. AS will then assess your medical situation, develop an accommodation plan with you, and support you in requesting accommodation for your course work. Remember that the process of accommodation is private: AS will not share details of your condition with any instructor, and your instructors will not reveal that you are registered with AS.

**Academic Integrity:** All students, faculty and staff are expected to follow the University's guidelines and policies on academic integrity. For students, this means following the standards of academic honesty when writing assignments, citing and using source material appropriately, collaborating with fellow students, and writing tests and exams. Ensure that the work you submit for grading represents your own honest efforts. Plagiarism—representing someone else's words as your own or submitting work that you have previously submitted for marks in another class or program—is a serious offence that can result in sanctions. Speak to me or your TA for advice on anything that you find unclear. Also, see the U of T writing support website at www.utoronto.ca/writing. Consult the Code of Behaviour on Academic Matters for a complete outline of the University's policy and expectations.

**Economics Study Centre:** Students enrolled in the course will be able to benefit from the Economics Study Centre. This is a valuable resource that you can make use of if you are having trouble with economics courses in general, or have trouble catching up. See the Department of Economics website for further information:

https://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

**General Outline:**

1) Introduction (W, Chapter 1)
2) Measurement (W, Chapter 2)
3) Business Cycle Measurement (W, Chapter 3)
4) Consumer and Firm Behavior (W, Chapter 4)
5) A Closed-Economy One-Period Model (W, Chapter 5)
6) Unemployment (W, Chapter 6)
7) Economic Growth (W, Chapters 7-8)
8) A Two-Period Model (W, Chapter 9)
9) A Real Intertemporal Model with Investment (W, Chapter 11)
10) A Monetary Model (W, Chapter 12)
11) Business Cycle Models (W, Chapters 13-14)
12) International Trade in Goods and Assets (W, Chapter 16)
13) Money and Banking (W, Chapters 17-18)

**Important Dates:**

Sep 10, 2018 – Classes begin.
Sep 18, 2018 – First tutorial.
Oct 8, 2018 – Thanksgiving holiday, no class or office hours.
Oct 22, 2018 – First midterm exam.
Nov 5-9, 2018 – Fall reading week, no class, tutorial or office hours.
Nov 20, 2018 – Due date for Assignment 1 (tentative).
Dec 3, 2018 – Second midterm exam.

Jan 7, 2019 – No class or office hours.
Jan 8, 2019 – Lecture instead of tutorial to make up for Jan 7.
Feb 11, 2019 – Third midterm exam.
Feb 18-22, 2019 – Winter reading week, no class, tutorial or office hours.
Feb 18, 2019 – Last day to drop the course without academic penalty.
March 19, 2019 – Due date for Assignment 2 (tentative).
Apr 1, 2019 – Last class.
Apr 6-30, 2019 – Final exam period.