

ECO102: SECTIONS L0301 & L0401: WINTER 2019  
PRINCIPLES OF MACROECONOMICS

1 THE BIG PICTURE

**Lectures.** Mondays, Wednesdays and some Fridays, BT101. **L0301:** 12:10 PM – 1:00 PM; **L0401:** 1:10 PM – 2:00 PM.

**Contacting me.**

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office: Max Gluskin House (150 St. George Street), Room 330  
office hours: GE313: Mondays, 4 PM – 5 PM; Thursdays, 10 AM – 11 AM  
individual appointments:<sup>1</sup> GE330: Mondays, 3 PM – 4 PM. Sign up on Quercus.  
electronic messages: Through Quercus.

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**Course contacts.**

| Issue                     | email  |
|---------------------------|--|
| Question about a quiz.    | <a href="mailto:gazzaleTA+quiz@gmail.com">gazzaleTA+quiz@gmail.com</a>         |
| Question about tutorials. | <a href="mailto:gazzaleTA+tutorial@gmail.com">gazzaleTA+tutorial@gmail.com</a> |
| Term test conflict.       | <a href="mailto:gazzaleTA+conflict@gmail.com">gazzaleTA+conflict@gmail.com</a> |

**Online Resources.**

- **Required:** Quercus (a.k.a. Canvas): <https://q.utoronto.ca>
- **Optional:** Piazza, a Q&A platform accessed through Quercus.

**Assessments.**

|                        | Date                     | Time                          | Length    | Weight |
|------------------------|--------------------------|-------------------------------|-----------|--------|
| Tutorial Participation |                          | See Section 2.2.2.            |           | 4%     |
| Quercus Quizzes        |                          | See Sections 2.2.1 and 2.2.2. |           | 9%     |
| Term Test 1            | Friday, February 8, 2019 | 6:30 PM – 8:30 PM             | 105 mins. | 23.5%  |
| Term Test 2            | Friday, March 22, 2019   | 6:30 PM – 8:30 PM             | 105 mins. | 23.5%  |
| Final Examination      | April examination period | TBA                           | 2 hours   | 40%    |

2 THE DETAILS

2.1 Goals of the Course

I have three goals for this course.

1. Provide guidance as you continue down the path towards thinking like an economist.

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<sup>1</sup>Individual appointments are for private discussions. I will **NOT** answer questions related to course content during individual appointments.

2. Introduce you to and help you understand some of the canonical models of modern macroeconomics. (This also entails understanding the limits of these models.)
3. Assist you in gaining sufficient proficiency with these models so that you can apply them to novel situations and appreciate their implications vis-a-vis current public policy issues.

This course (ECO102) covers *macroeconomics*, which looks at a nation's economy-wide phenomena such as the total size of an economy, unemployment, inflation and the interaction between national economies.

## 2.2 Course Organization

I am often asked, usually after a disappointing term test, how to better master principles of economics. I always come back to two key strategies. First, because the subject matter is cumulative, *do not fall behind*. Relatedly, I cannot stress enough the desirability of doing a first read of the required reading (it need not be in depth) *before* the corresponding lecture. Second, solve problems. Lots of them. I have organized the course around these ideas.

### 2.2.1 Quercus Quizzes

**Purpose** Both to make sure that you keep up with the material and to give you practice solving the kinds of problems you will encounter on tests and the exam.

**Details I** Ten (or so) questions each quiz. In general, a quiz becomes available on a Thursday and is due the following Monday at 11:45 AM. Once you start a quiz you have one hour with the caveat that only answers submitted before the due time will be counted.

**Details II** Each question generally has four to ten versions. You will be randomly assigned one version of each question. **In-person** collaboration amongst small groups is permitted. Electronic discussion before the quiz is due is considered an academic offence.

**Where** Quercus.

**Marks** There will be nine quizzes. I will drop your lowest quiz mark.

### 2.2.2 Tutorials

**Purpose** Review and discuss concepts from lecture, to take up problems, and to participate in in-tutorial exercises.

**Scheduling** Starting the second full week of classes (January 15), each student will attend an almost-weekly one-hour tutorial. (Tutorial weeks are listed in Section 3.)

**Sign up I** You will be able to enrol in a tutorial starting on January 10 at 8:00 PM using the tutorial sign up link on Quercus. Follow the link to sign up for any available (not already full) tutorial.

**Sign up II** Spots in a particular tutorial are allocated on a first-come-first-serve basis. You can switch from your current tutorial to another tutorial by using the same tutorial sign up link on Quercus.

**Marks I** After dropping your lowest tutorial, tutorial participation as captured by assignments completed and submitted in tutorial will comprise 4% of your final marks.

### 2.3 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 your degree. 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 in a test).
- To falsify or alter any documentation required by the University. This, includes, but is not limited to, the *Verification of Student Illness or Injury* form.
- To use **or possess** an unauthorized aid in any test or exam (e.g., cellphone, graphing or programmable calculator).
- To continue writing when the time is up in any test or exam.
  - **N.B.** Anyone writing when the invigilator announces the end of the test or exam period automatically loses 5% of the total marks available on the test or exam.

There are other offences covered under the Code, but these are by far the most common. Please respect these rules and the values which they protect.

### 2.4 Accessibility

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a consideration which may require accommodation, please feel free to approach me and/or Accessibility Services (416-978-8060 or <http://www.studentlife.utoronto.ca/as>).

### 2.5 Diversity

It is my intent that students from all backgrounds and perspectives be well served by this course. The diversity that students bring to this class is a strength and benefit. It is my intent to present materials and activities that are respectful of this diversity, including in the dimensions of race, culture, ethnicity and national origin, gender and gender identity, sexuality, socio-economic class, age, religion, and disability. Your suggestions are encouraged and appreciated.

Finally, if you use a different name than what is on the course roster, please let me know. You may also share your gender pronouns.

### 2.6 Texts

I recommend purchasing the indicated versions of the required texts.

### 2.7 Quercus

This course will make heavy use of Quercus (a.k.a. Canvas). You are responsible for checking it regularly. Content includes:

- Announcements;
- Copies of the lecture slides;

- Online quizzes;
- Tutorial Problem Sets;
- Additional problems, some with solutions; and
- Previous tests and exams.

### 2.8 Communication

The TAs and I will make important announcements in lectures and tutorials, or through Quercus. I expect you to check Quercus regularly. **I encourage you to customize you Canvas notification preferences to receive immediate or at least daily notifications of messages and announcements through either email or text.**<sup>2</sup>

For general administrative issues, please use the “gazzaleTA” emails listed on page 1 of this syllabus. All emails must be sent from your UofT email account, and **must include your student number**.

If you need to contact me (Prof. Gazzale) electronically, you **must** do so through your Quercus inbox. Direct electronic communication is **not** an appropriate forum for discussing course materials or asking questions about course content. As such, it should be restricted to private matters, or to notify me of a course problem (e.g., broken link, typo, TA issues, etc.).

- **Your message must include your student number.**
- For messages asking for a reply, if I can answer briefly without explaining course content or revealing something of general interest, then I will reply within three business days.
- For any question that would interest other people (e.g. a question about an upcoming test, a course concept, etc.), you must post on Piazza (described above).
- If you receive no reply to your e-mail, check announcements, review the syllabus, post on Piazza, or see me or your TA in office hours or class.

### 2.9 Lectures

During lecture, I will project “PowerPoint” slides. I encourage you to print them and bring them to lecture. You will notice that while a set of slides represents a good overview of a topic and contains many of the important definitions, many of the details are missing. During the lecture, we shall fill in the missing details, resulting in “marked-up” slides. **I will not make available the marked-up slides.** I have chosen this route of lecture-note delivery for two reasons.

1. The process of marking-up the slides slows me down. Trust me, this is a good thing.
2. I like to think that lecture attendance has benefits. Not providing the marked-up lecture notes is my little nudge towards increased attendance.

### 2.10 Tests and the Examination

The exam and tests consist of a combination of short-answer and multiple-choice questions, roughly in equal proportion.

Your mark on a test or exam (i.e., what is reported on Quercus) reflects any adjustments to the raw scores such as adding points to everyone’s score or not counting an unduly difficult/confusing question. Your mark, not your raw score, best reflects the quality of your submitted work.

<sup>2</sup><https://community.canvaslms.com/docs/doc-10624>

For the exam, each student taking ECO102 this semester—regardless of instructor—answers the same set of multiple choice questions covering core material common to all sections. The other half of your exam will be a set short-answer questions for students in Gazzale sections.

### *2.10.1 Evaluations: What's on the test?*

While the final examination is cumulative, term tests are not. (**Caveat:** Economics is cumulative, so in covering current material, there will most surely be questions that use concepts, definitions, etc. from previous tests.)

If a concept, skill, or topic is addressed in lectures, required readings, or tutorials, it is testable.

**N.B.** My choosing to devote scarce lecture time to a topic or concept is a good indication I find it important. Things I find important have a nasty habit of appearing on tests and exams. While this set of facts **in no way** rules out the inclusion of material not covered in lectures, it may be helpful in prioritizing your preparation.

### *2.10.2 Evaluations: Marking and Appeals*

If **after** reviewing the test solutions you believe your test was incorrectly graded, you may request remarking. Requests for remarking must:

1. be made in writing and submitted in person to the me (Prof. Gazzale). Requests will only be accepted by paper (i.e., not by email);
2. explain precisely WHY more points are justified for each disputed question; and
3. be submitted within two weeks of the date on which tests were returned.

The entire test will be remarked: your mark can go up, down, or remain unchanged.

### *2.10.3 Evaluations: Make-Up Test*

Students missing a term test for an approved, certified medical reason (see section 2.10.4), or other approved cause, will be permitted to write a **comprehensive** (i.e., **cumulative**) make-up test towards the end of the term. Students who do not qualify for writing the make-up test will receive a grade of zero for the missed test. **This make-up test may only replace one missed term test.**

**N.B.** Students who miss the final exam must petition the Faculty of Arts and Science for permission to write a deferred examination in the summer.

**Make-up details:** Friday, April 5 from 9:00 to 11:00 AM. Location to be announced.

### *2.10.4 Evaluations: Medical Certificates*

If you are unable to write a test for a medical reason, all of the following must be satisfied in order for you to be permitted to write the make-up test.

- You must email the me (Prof. Gazzale) *no later* than the end of the day of the test, indicating that you will not be writing the test due to illness.
- Within **one week of the missed test**, you must submit directly to me, either in class or during normal office hours, the official University of Toronto's *Verification of Student Illness or Injury*, fully completed by a Physician, Surgeon, Nurse Practitioner, Registered Psychologist or Dentist.
- The practitioner must have assessed you no later than the day of the missed test.
- The note must confirm that in the the practitioner's professional opinion, you were **unable** to write the test on the exact date of the test.

### 2.11 Final Grades

Here is an official statement about final grades that assures all of you that they will be fairly awarded across sections:

- Historically, the average grade across all sections of Economics 100/101/102 is C+;
- The average grade in each section of ECO102 will vary to reflect the relative performance of students in that section on the common part of the ECO102 final examination;
- The average grade for a section whose students perform above average on the common component of the final examination will be higher than the overall average grade for ECO102, and conversely.
- The average grade on each term test will, inevitably, vary across sections. However, it merits emphasis that students in a section where the average grade on a term test is low are NOT disadvantaged on this account. The average FINAL grade awarded in each section will reflect the performance of that student's section on the common part of the final examination.

### 2.12 Getting Assistance

**Instructor Office Hours** My office hours are listed on page 1. I assure you that I am a pretty nice guy, at least by New York City standards.

**TA Office Hours** Each week, course TAs will hold drop-in office hours. Hours and locations are posted on Quercus.

**Tutorials** Always a good bet.

**The Economics Study Centre** Located in Gluskin 110 (150 St. George Street), the Economics Study Centre is staffed by third and fourth-year undergraduate students (peer mentors) who assist students on a one-to-one basis or in study groups. Peer mentors are available Monday through Friday. This is a drop-in centre, students do not need to book an appointment. See <http://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre> for further details.

**Study Groups** Many find it beneficial to work on problems in small groups.

**Piazza** Piazza is an electronic discussion board through which students engage with each other by posting and responding to questions related to course materials. Piazza provides the opportunity for all students to become participants in class discussions. The discussions are regularly monitored by TAs and the instructor. You can sign-up for Piazza through the class Blackboard page, where more detailed instructions are provided. Piazza is the appropriate forum for posting questions pertaining to course content, administration, or economic ideas more generally.

3 SCHEDULE

Any modifications to the schedule will be widely announced.

|    | Day | Date   | Topic                | Reading  | Quiz Due | Tutorial Week |
|----|-----|--------|----------------------|----------|----------|---------------|
| 0  | Mon | 7-Jan  | Introduction         |          |          |               |
| 1  | Wed | 9-Jan  | GDP & Unemployment   | 6, 7 & 8 |          |               |
| 2  | Fri | 11-Jan |                      |          |          |               |
| 3  | Mon | 14-Jan | CPI & Inflation      | 7 & 8    |          | ✓             |
| 4  | Wed | 16-Jan |                      |          | ✓        |               |
| 5  | Mon | 21-Jan | Long-Run Growth      | 9        | ✓        | ✓             |
| 6  | Wed | 23-Jan |                      |          |          |               |
| 7  | Mon | 28-Jan | Savings & Investment | 10       | ✓        | ✓             |
| 8  | Wed | 30-Jan |                      |          |          |               |
| 9  | Mon | 4-Feb  | Income & Expenditure | 11 & 11a | ✓        | ✓             |
| 10 | Wed | 6-Feb  |                      |          |          |               |
|    | Fri | 8-Feb  | <b>TERM TEST</b>     |          |          |               |
| 11 | Mon | 11-Feb | AS-AD Model          | 12       |          |               |
| 12 | Wed | 13-Feb |                      |          |          |               |
| 13 | Mon | 25-Feb | Fiscal Policy        | 13 & 13a | ✓        | ✓             |
| 14 | Wed | 27-Feb |                      |          |          |               |
| 15 | Mon | 4-Mar  | Money and Banking    | 14       | ✓        | ✓             |
| 16 | Wed | 6-Mar  |                      |          |          |               |
| 17 | Mon | 11-Mar | Monetary Policy      | 15       | ✓        | ✓             |
| 18 | Wed | 13-Mar |                      |          |          |               |
| 19 | Mon | 18-Mar | Banking Crises       | 17       | ✓        | ✓             |
| 20 | Wed | 20-Mar |                      |          |          |               |
|    | Fri | 22-Mar | <b>TERM TEST</b>     |          |          |               |
| 21 | Mon | 25-Mar | Exchange Rates       | 19       |          | ✓             |
| 22 | Wed | 27-Mar |                      |          |          |               |
| 23 | Mon | 1-Apr  | International Trade  | 5        | ✓        | ✓             |
| 24 | Wed | 3-Apr  |                      |          |          |               |