

# **Macroeconomic Theory**

## *ECO208Y Spring/Summer 2018*

### **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.

### **Class time**

Day	Time
Tuesdays	4:00 - 6:00pm
Wednesdays	4:00 - 6:00pm
Thursdays	4:00 - 6:00pm

### **Instructor & TA information**

Robert J. McKeown  
Assistant Professor, Teaching Stream  
Department of Economics, University of Toronto  
150 St. George St. Room 342  
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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**

As a successful student, you will be able to:

1. describe the theory underlying business cycles in both Neo-classical and New Keynesian frameworks.
2. explain the difference between a Pareto Optimal allocation and a competitive equilibrium and the role of “frictions” in economic research.

3. solve economic problems using theoretical models, calculus, and diagrams,
4. apply theory to predict how fiscal and monetary policies will affect key economic outcomes such as unemployment, aggregate income, and interest rates,
5. explain what Dynamic General Equilibrium Models are and how they are used in macroeconomic research,
6. write a thoughtful, critical analysis of economic policy using both theory and empirical data.

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 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. 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, so I know which course you refer to. 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.

## Evaluations

	Date	Location	Grade
Test 1	May 24	in-class	15%
Test 2	June 14	in-class	15%
Test 3	July 25	in-class	15%
Written assignment 1	TBA	Portal	5%
Written assignment 2	TBA	Portal	5%
Participation		in-class	5%
Final exam	Exam period: April 9–30	TBA	40%

Note that these dates may change due to unforeseen circumstances! Any changes will be announced in class and on Portal.

## Missed tests and assignments

If you miss one term test, your grade weight will shift to the final exam. If you miss more than one term test, you will have to write a makeup test at a time and location to be announced. Your final exam will be worth 55%, and the make-up test will account for 15 or 30%. The make-up test will be cumulative. For assignments submitted late, starting immediately after the deadline, every 24 hours period will result in a 5% penalty per assignment. For example, if you are between 0 and 24 hours late, you will lose 5%. If you are between 24 and 48 hours late, you will lose 10%. 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), log onto Portal, navigate to the ECO208 course site, and select the appropriate links. You'll be prompted to add your iClicker's unique number. Your replies are recorded even if you are not registered, but registration ensures I give you credit for your work. Register through Portal to avoid any additional fees. 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 your iClicker on Portal. 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.

### **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.