

UNIVERSITY OF TORONTO
Principles of Macroeconomics (ECO102H1S, sections L0101, L0401 and L5101)
Winter 2020

Course Description

This is an introductory course in basic macroeconomic principles. Our focus is on the operation of the economy in the aggregate, and how the actions of individuals and firms interact to determine the economy-wide level of economic performance including the level of output, unemployment and inflation. In this context, we will analyze the important role of government and government policy in the macro economy. We will also cover issues relating to exchange rates and international trade. This course is designed to expose you to the facts, theories and models of the discipline of macroeconomics. It is also designed to develop your analytical skills, to help you to think for yourself, and to learn to apply the principles and techniques of economics to new problems and situations.

Instructor

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Lectures

1. L0101: Monday and Wednesday from 11:10-12:00 in Mechanical Engineering (MC 102)
2. L0401: Monday and Wednesday from 13:10-14:00 in Bader Theatre (BT 101)
3. L5101: Monday from 18:10-20:00 in Myhall Auditorium (MY 150)

Note 1: you can choose which lecture to go to, space permitting. You do not need my permission.

Note 2: There are **no** lectures on Fridays. For the Monday evening class (L5101), we may use the third hour (20:10-21:00) for tutorials. When we do so, this will be announced on Quercus.

Tutorials – Starting in Week 2

Please attend the tutorial you signed up for. Also sign up on Quercus for the tutorial group. Unfortunately there is no flexibility to switch tutorial groups. Make it a habit to go to one tutorial every week. The only way to learn economics is to do economics.

Textbook (Required) and SaplingPlus (Optional)

“Macroeconomics” by Paul Krugman, Robin Wells, Iris Au and Jack Parkinson, 2018, 3rd Canadian edition, Worth Publishers, Macmillan learning. You may use older versions (at your own risk). I will **not** provide an overview of differences between versions. Differences are likely to show up in the (numbering of) exercise questions.

You may consider utilizing Sapling Learning, an online platform that provides supplementary problems, but this is not required. The bookstore sells packages of the book and SaplingPlus. Practicing with Sapling will help you learn the material, but keep in mind that SaplingPlus problems are easier than the ones you can expect on the tests.

	Week of	Topic	Chapter	Tutorial
1	06-Jan	Introduction	Syllabus	
		Macroeconomics: The Big Picture	6	No tutorials
		GDP and the CPI	7	
2	13-Jan	GDP and the CPI	7	✓
		Unemployment and Inflation	8	
3	20-Jan	Long-run Growth	9	✓
4	27-Jan	Savings and Investment	10	✓
5	03-Feb	Income and Expenditure	11+11A	✓
		Taxes and the Multiplier	13A	
*	06-Feb	Midterm 1		Chapters 6-10
6	10-Feb	Aggregate Demand and Supply	12	✓
*	17-Feb	Reading Week (no classes, no office hours)		
7	24-Feb	Fiscal Policy	13	✓
8	02-Mar	Money and Banking	14	✓
9	09-Mar	Monetary Policy	15	✓
*	12-Mar	Midterm 2		Chapters 11-14
10	16-Mar	Banking Crises	Handout	✓
11	23-Mar	Exchange rates	18	✓
12	30-Mar	International Trade	5	✓
*	TBA	Make-up Test		Comprehensive, except chapter 5
*	TBA	Final		Comprehensive

- “A” denotes the Appendix to the chapter, for example: 11A is the appendix to chapter 11.
- For sections with lectures on Mondays and Wednesdays: the topic will be split over both lecture days
- Midterm tests will be scheduled outside of classes. Location will be confirmed later. The midterm tests will be 80 minutes each.
- The make-up test will be scheduled in the first week of April. Time and location will be announced.
- The final test will be scheduled by the university in the period April 6-25. You should not make definitive travel plans in this time period. The final test will be 2 hours.
- For the midterm tests and the make-up test the coverage is scheduled. The final covers all materials discussed. In general, if a concept, definition or problem is discussed in class, it can be part of the test.
- The general format for any test will be a combination of multiple choice questions and open answer questions.

How to Make Contact (A. to E.)

A difficulty of a large class (1,200+ students) is that student-teacher contact needs to be organized, which is not ideal (This will get better in later years).

Please read the following points carefully, which will avoid getting an email with “Please see the syllabus”, or “Please see Quercus”.

A. If You Have Questions about the Lecture or the Book => Professor Walk-In Office Hour

Prof. Vellekoop has two weekly office hours: on Monday and Wednesday 12:00-1pm in Emmanuel College (EM 1), close to the Bader Theatre. No appointment is needed. EM 1 is a large room, and you are welcome to drop by and listen in, even if you don't have questions yourself. This office hour is ideal if you have questions about the lecture. In addition Prof. Vellekoop is typically available right before, after and in the break of the lectures.

B. If You Have Questions about the Tutorials or Midterms => TA Walk-In Office Hour

The TAs will organize weekly office hours, starting in the 2nd week of the lectures. Time and location will be announced on Quercus. No appointment is needed. These office hours are ideal if you have questions about the tutorial, or want to discuss solutions of questions from the book (though no solutions will be handed out). You are also welcome if you like to discuss questions about the midterm to improve your performance (not to discuss whether your answer was correct or not, see below for those procedures). The TAs will organize extra office hours in the weeks before the midterm, see Quercus for announcements.

C. If You Like to E-Mail the Professor

Only in emergencies - but you are welcome in the walk-in office hour (see A.).

D. If You Would Like to Make an Appointment with the Professor

Only for non-content related questions, for example mental health issues, or advice on major choice, you can book a 15 minute slot at <https://calendly.com/prof-vellekoop/office-hours>.

E. If You Like to E-Mail the TAs

You can use the following email address from which your email will be distributed: eco102.2020@gmail.com. Please use your UTOR e-mail account (the “utoronto” account). E-mails from other accounts may not reach us and your e-mail address helps us to identify you. Please include your full name, preferred name, and student number in the body of the email. Also, please include the course code in the subject line (ECO102).

- For e-mails asking for a reply, allow for a response within three business days. If there is no response after three business days, please check the syllabus, or Quercus, or come to the office hours.
- E-mail is not a great way to communicate, and a typical response might be: “Please come to the office hour”.
- Questions that are of general interest will be posted on Quercus and/or Piazza (with the answer).
- We will use Piazza as an online Q&A platform. Instructions and a link will be posted on Quercus.

Class Website - Quercus

Announcements and course materials will be posted on Quercus.

- I will post **lecture slides** a few days before the lecture. Since there are many graphs in this class, I will use “mark-up” slides: relatively empty slides that will be filled in during the lecture. The idea will be that you see how a graph is build up. After class I will **not** post the marked-up slides after the lecture (this is to encourage you to come to the lectures). Hence, the lecture slides are not a substitute for coming to the lecture.
- Problem sets that will be discussed during the tutorial hour will be posted on Quercus before the lecture. After the tutorial there will be **no** solutions posted.

It is your responsibility to regularly check Quercus for announcements (it is recommended that you change the settings to get a daily overview, though there may be last-minute announcements).

Grading

Assignments	10%	Weekly			
Midterm 1	25%	Thursday February 6, 2020	6:20 PM – 7:40 PM	Several locations	
Midterm 2	25%	Thursday March 12, 2020	6:20 PM – 7:40 PM	Several locations	
Final exam	40%				

The midterms will be scheduled outside regular class hours, location for the second midterm and the make-up will be announced later. This may present a conflict for some students. **In the event of a conflict, you must email eco102.2020.conflicts@gmail.com the latest Friday January 31 (for midterm 1) or by Friday March 6 (for midterm 2).** The university schedules the final exam in the examination period (April 6-25, 2020). This year all sections will write the same midterm and the same final exam (there is no common core with a section-specific part).

Grade Posting

We use Crowdmark for grading of the midterms and the final exam. Your tests and assignments will be scanned and uploaded to Crowdmark. It is advisable to bring a pencil, eraser and sharpener to the test. Grades for the midterms will be posted on Quercus – do not send emails with the question when the grades will be posted. You will receive the grade for midterm 1 back before the drop deadline. Note that there may be differences between your grade on Crowdmark and the grade on Quercus: the grade on Quercus is the one that matters. Differences may be arise of adding points, or reweighting of a difficult question and the like.

Appealing your grade

After grades have been posted on Quercus, and reviewing your test on Crowdmark, you may have a dispute over the evaluation of a test. After reviewing the solution posted on Quercus, submit in writing (no e-mails) the re-grade request form that is posted on Quercus. You must submit your appeal no later than 10 business days after the grades have been posted on Quercus. In your appeal, you must identify the questions that you believe were marked incorrectly and provide an explanation as to why you believe you deserve additional marks. Please note that all questions will be remarked – not only the question in dispute. As a result, your grade for the test can be higher, the same, or lower.

Missed Tests and Make-Up Test

Do your best not to miss a test.

For missed **final exams**: the School of Arts and Sciences deals with missed final tests: See http://calendar.artsci.utoronto.ca/Rules_&_Regulations.html

With respect to **midterm tests**: if you miss a midterm test for a valid reason you need to do the following two (2) steps.

1. On the day of the test, you need to send an email to professor Vellekoop directly (n.vellekoop@utoronto.ca), not after the day of the test. The email must be sent from your official UofT email address. The subject line should be: ECO 102, Winter 2020 Missed Midterm 1 (or 2). Include your full name, student number, and the reason you are missing the test. The email should end with the following sentence exactly as written "*I understand that it is a punishable academic offence to present false or misleading information in support of my request for accommodation for missed term work*".
2. Within a week of the missed test, you need to submit documentation for your request to prof. Vellekoop in person, either before/after class or during office hours (no emails). If you miss a test because of *short-term illness*, please submit an original, completed, official UofT Verification of Student Illness or Injury form completed by a Physician, Surgeon, Nurse Practitioner, Registered Psychologist or Dentist registered and licensed in Ontario. They should have seen you *on the test date or before*. In their medical opinion, you should be *unable* to write the test. If you have a long-term medical issue or if you have a non-medical issue, I will need your *college Registrar* to send me an email requesting a make-up on your behalf. Please contact them as soon as you know you will miss the test and provide them with the appropriate documentation.

As per university policy, there is no make-up for the make-up test. You will get a zero if you miss the make-up exam. The final decision to accept any excuse lies with me or the undergraduate chair. You can only do the make-up test with the explicit permission of prof. Vellekoop.

You will receive your grade for the make-up after the drop deadline. The format may be different from the class test. There are also no regrade possibilities for the make-up test.

Makeup date and location: To be announced

Missed Quizzes

There are no make-ups in the case of quizzes or tutorial assignments. We will grade the best 8 out of 10 quizzes (so you can miss 2 quizzes without a penalty).

Prerequisites

You yourself are responsible to check and make sure that you have fulfilled all requirements set by the University of Toronto to participate in this course. You must have completed the appropriate prerequisites to continue in this course:

<https://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

Practice exams

This is the first time I will be teaching this course at the University of Toronto. I will upload some tests from earlier years on Quercus, but keep in mind that the style and form are likely to be different. The best way to view older exams is as extra practice material.

Final Grades in Economics 102

Historically, the average grade in first-year economics is C+. You must obtain a grade of 63% in ECO 102 to be eligible to take higher-level courses required for an Economics Major degree. Unfortunately, not every student achieves this mark.

Cell phones and laptop usage

Technology can support student learning, but it can also become a distraction. Research indicates that multi-tasking (texting, surfing the Internet, using social networks) during class time has a negative impact on learning. Out of respect for the professor, the TAs and your fellow students in this class, please refrain from using laptops or mobile phones for entertainment during class. Do not display any material on a laptop which may be distracting or offensive to your fellow students. Laptops may be used only for legitimate classroom purposes, such as taking notes, downloading course information from Portal, or working on an assigned in-class exercise. Checking social media, email, texting, games, and surfing the Web are not legitimate classroom purposes. Such inappropriate laptop and mobile phone use is distracting to those seated around you and is unprofessional.

Economics Study Centre

The Economics Study Centre is located in the Department of Economics, and 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 student groups. The (extensive) hours and location of the Study Centre will be announced at the beginning of term.

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) (accessibility.utoronto.ca) 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

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 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

<https://governingcouncil.utoronto.ca/secretariat/policies/code-behaviour-academic-matters-july-1-2019>, 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 on a test).
- To falsify or alter any documentation required by the University. This, includes, but is not limited to doctor's notes.
- To use or possess an unauthorized aid in any test or exam (e.g., a cell phone).
- To continue writing when the time is up in any test or exam.
- To 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 which they protect. For useful tips for avoiding academic misconduct, please visit the website of the Office of Student Academic Integrity at <https://www.artsci.utoronto.ca/current/academic-advising-and-support/student-academic-integrity>.