

ECO208Y1—L5101
Macroeconomic Theory
Summer 2020
Dylan Gowans & Li Li

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 we 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>

Technological Requirements:

This is an online course. Therefore, students will need:

- Stable internet connection
- Webcam
- Microphone

Textbook:

Macroeconomics by Stephen Williamson (6th Canadian edition).

Lectures and slides will be based on the textbook. For students wishing to have a written reference, the textbook can be purchased either from the U of T Bookstore, or online from the Pearson website.



Grading and Exam Policy:

The course grade will consist of:

Quizzes (10)	<ul style="list-style-type: none">• Held almost every week• Short (approx. 30 minutes)• Written on Quercus	50%
Assignments (3)	<ul style="list-style-type: none">• Data analysis• Short written component	30%
Final Exam (1)	<ul style="list-style-type: none">• Written online during the final exam period.	20%

Quizzes and time zones: *Quizzes will be held during the scheduled tutorial time (Thursday 4pm Toronto time).* If you are in a different time zone, and cannot write the weekly quiz at 4pm, please let us know and we will set up a different time for you to write it.

Course Structure

Instruction will consist of three components:

- **Lectures:** Lectures will be recorded and posted to Quercus (weekly).
- **Tutorials:** Live tutorials will be hosted weekly after quizzes. During this time, TAs will take up quiz and assignment problems.
- **Office Hours:** Office Hours will be held online. Links will be posted on Quercus.

Students will also have access to **discussion boards** on Quercus where they may ask questions related to course content. These discussion boards will be monitored by TAs.

Illness, Regrades, etc.

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.

Students who want to have a 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.

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>

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.

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>

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.

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) Money and Banking (W, Chapters 17-18)
- 13) International Trade in Goods and Assets (W, Chapters 15)
- 14) Credit Market Imperfections (W, Chapter 10)