

University of Toronto
Winter 2022

Professor Alexopoulos
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Course Outline
ECO 1100H1F
Economic Theory- Macroeconomics (MA)
Winter 2022

Time and Location: Lectures and Tutorials will be held every Monday & Wednesday from 9-11. The classroom reserved is BA1220. Lectures will be done synchronously via Zoom. Tutorials pre Jan 31 will also be online. Tutorials and testing beginning on Jan 31, 2022 will be done in person in the assigned classroom unless the University switches to online delivery. Students may log into the Zoom lectures from the classroom if desired and permitted by the University's current policies on campus activities. The preliminary schedule for lecture and tutorial dates are as follows:

Lecture dates:

Jan 10, 12, 19, 24, 31
Feb 9, 14, 28
March 2, 9, 21, 23, 30
April 4

Tutorial times:

Jan 17, 26
Feb 2, 16
March 7, 14, 28,
April 6

Midterm Test Dates: Feb. 7, March 16

Final Exam: To be scheduled by the University during Final Exam period in April.

Office Hours: Prof. Alexopoulos will hold office hours by appointment. Mr. Paul Han p.han@mail.utoronto.ca is the T.A. for the course. He will announce the schedule of his office hours.

Course Outline: The course is intended to familiarize students with current topics in macroeconomics. Topics covered will include economic growth, consumption and investment, business cycle theory and unemployment. Calculus will be used throughout the course.

Grading: The term grade will be made up of the two midterms. Each is worth half of the term mark referenced below. The final cumulative exam will count for 100% of the Exam mark referred to below.

The final course grade will be calculated as follows

$$\text{Max (Term Grade} \times 40\% + \text{Exam} \times 60\%, \text{Term Grade} \times 60\% + \text{Exam} \times 40\%)$$

The midterms will be scheduled for February 7 from 9-11, and March 16 from 9-11am. These tests will be written in person in BA1220. Alternative delivery methods will be used should the University suspend in-person activities. The date of the Final will be announced when the exam timetable is available.

Textbook: Romer, David. *Advanced Macroeconomics*, 5th. Edition. McGraw Hill.

Topics:

1. Economic Growth.

1.1. The Growth Facts.

1.2. The Neoclassical Growth Model.

1.3. The Planner's problem.

1.4. The Competitive Equilibrium.

- Class notes.
- Romer, D. Chapter 1 & 2.

2. Business Cycle Analysis

2.1. The Business Cycle Facts.

2.2. Real Business Cycle Theory.

2.3. Sticky Prices and Limited Participation

- Class notes.
- Romer, D. Chapter 5
- Cooley, Thomas and Edward Prescott. 1994. Economic Growth and Business Cycles in *Frontiers of Business Cycle Research*. Thomas Cooley Editor. Princeton University Press.
- Prescott, E. 1986. Theory Ahead of Business Cycle Measurement. *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall, 9-22
- Christiano, Lawrence, Martin Eichenbaum and Charles Evans. (1997). "Sticky Price and Limited Participation Models of Money: A Comparison", *European Economic Review* 41, 1201-49.

3. Theories of Unemployment

- Class notes
- Romer, D. Chapter 11
- Hansen, Gary D. (1985). "Indivisible Labor and the Business Cycle", *Journal of Monetary Economics* 16, 309-27.

4. Monetary Policy (time permitting)

- Class notes
- Romer, D. Chapter 12