

# ECO202Y1Y, Macroeconomics Theory and Policy

Summer 2022, Section L5101

Economics Department, University of Toronto

## First Semester:

Instructor: Masoud Anjomshoa

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## Second Semester:

Instructor: Olga Denislamova

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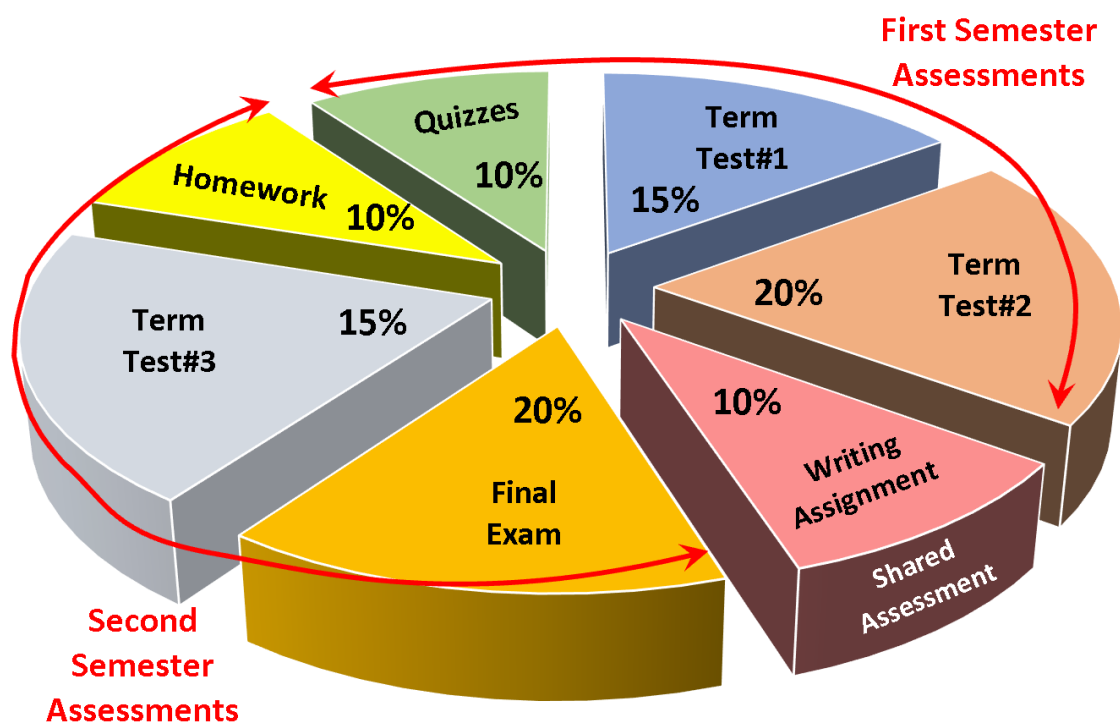
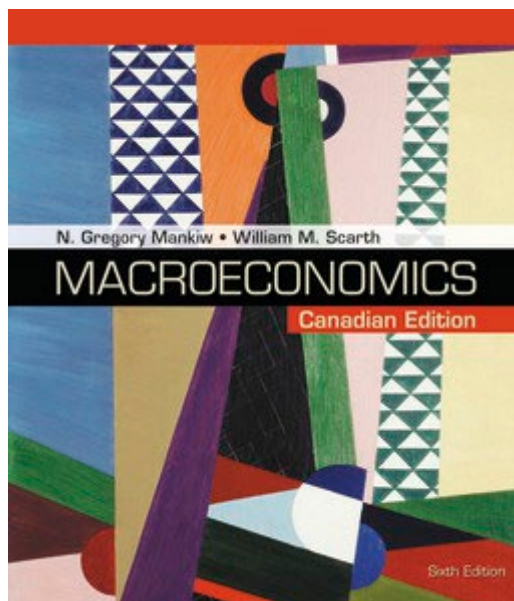
Office Hours: See the Quercus website

## Textbook:

Gregory Mankiw and William Scarth, Macroeconomics 6th Canadian Edition, Worth, 2020. Do NOT use the older editions.

## Evaluations/Grading Schemes:

Please see the details on the later pages.



## Course Description:

This course studies the behavior of economies in the aggregate level, when they are subject to shocks and policies. This is including macroeconomic behavior of economic variables in the short run, i.e., economic fluctuations and business cycles, as well as the long and very long run that are focused on adjustments, trends, and economic expansion. In these cases, first, closed economies are studied, and then we extend our models to open economies. At the end, some macroeconomic topics are studied in a greater detail. The consumption and investment theories, labor market, economic policy management could be among these topics.

## Prerequisites:

Prerequisites are strictly checked and enforced and must be completed before taking a course. By taking this course you acknowledge that you will be removed from the course at any time, if you do not meet all the requirements set by the Department of Economics. For further information you can consult the Courses Calendar, which is available from the Registrar's Office. If you have any doubt about the required prerequisite, please let us know to direct you to the right person to check it for you.

## Course Delivery Details:

### The First Semester Lectures and Tutorials:

In-person Lectures	In-person Tutorials
Mondays 6:00 - 9:00PM Wednesdays 6:00 - 8:00PM	Wednesdays 8:00 - 9:00PM

Note that the first part of the course is designed for a full in-person delivery, so attending the lectures is crucial. There could be some limited pre-recorded videos just for some parts of the course.

### The Second Semester Lectures and Tutorials:

In the second part of the course, part of the course material (main theories and technical details) will be delivered via [pre-recorded lectures](#). They will be posted on Friday each week. The reason for pre-recording part of the instructional material is so that you can go over the material at your own pace as many times as you want. You are required to watch the lecture. For best results, try to mimic your behavior in live lectures: block out a regular time to watch the material and avoid distractions.

During the course calendar times, we will meet for [in-person workshops](#). These are not required for your participation grade, but we highly recommend that you attend all of them

and pay close attention. During the workshops, we will do practice problems and past exam problems, discuss the real-world data and current events in the context of the models that are covered in the pre-recorded lectures, as well as the course material more broadly. Sometimes new course material will be introduced during the workshops, so your attendance is highly recommended.

In-person Workshops	In-person Tutorials
Mondays 6:00 - 8:00PM Wednesdays 6:00 - 8:00PM	Wednesdays 8:00 - 9:00PM

If, as the term progresses, we find that the format outlined above is not optimal for the class' s learning, we will switch back to regular in-person lecture format.

Note that if the class ends up going fully online, the format of the course delivery may change completely to accommodate the developments.

### Evaluation Schedule:

Evaluation	Weight	Due Date and Time
<b>First Semester</b>		
Term Test#1	15%	June 1, 6:00-8:00PM, in-person
Term Test#2	20%	During June Final Exams Period, in-person
Quizzes	10%	Spread over the first semester (May-June), online
<b>Second Semester</b>		
Term Test#3	15%	July 25th, 6:00-8:00PM, in-person
Final Exam	20%	During August Final Exams Period, in-person
Graded Homework	10%	Spread over the second semester (July-August)
Writing Assignment	10%	August 15th, 11:59pm

### Writing Assignment:

The point of the writing assignments is to give you the opportunity to apply your newly gained knowledge of economics in a 'real-life' setting and practice your writing skills. The details of the assignment will be posted on Quercus some time before its due date.

You will need to submit the assignment before the deadline. No collaboration is allowed. No extensions are granted for any reason (illness, computer problems etc.). There is a 20% (of assignment total grade) penalty per 24 hours for late submissions. No submissions will be accepted 5 calendar days after the deadline.

## Evaluation Details for the First Semester:

### Term Tests #1 and #2:

Term Test#1 is focused on a few chapters. But Term Test#2 is a cumulative test, and acts as the final exam for the first part of the course.

- If for any emergency circumstances, acceptable by the university rules, you miss either of these term tests, you must inform us by email within 5 days from the test, with the related reasons and documentations. Then, you must take the **makeup** test as below.
- There will be an in-person **makeup** test for the eligible students who miss Test#1 **OR** Test#2, on **Friday July 8, at 6PM**. The makeup test could be different from actual tests in terms of length.
- The makeup test is a cumulative test, covering all the materials in the first semester, no matter which test you missed.
- You **cannot** miss both Test#1 and Test#2. If you miss both tests, you will receive a **ZERO** for Test#1, and you need to take the makeup test for Test#2.
- If you miss the makeup test, you will receive a **ZERO**, no matter why you miss the test.
- Note that the makeup test is a private test and will **NOT** be returned to you.

### Quizzes:

There will be several quizzes during the first semester, which will be posted on the course Quercus website, each covering one or a few chapters, and are in multiple-choice format. An upcoming quiz will be announced in advance. When the quiz is posted, you have a two-day window to start the quiz. But when you start the quiz, you need to finish it in **one sitting** in a limited time like one or two hours. Please make sure you do not miss the quizzes, by regularly checking Quercus. If you miss quizzes, they **cannot** be substituted by anything else.

## Evaluation Details for the Second Semester:

### Term Test#3 and Final Exam:

Term Test#3 is focused on a few chapters. But the final exam is a cumulative exam covering all the materials of the second part of the course. If for any emergency circumstances, acceptable by the university rules, you miss Term Test#3, its weight will be shifted to the Final Exam. You must inform us by email within 5 days from the test, with the related reasons and documentations. If you miss the Final Exam, you need to contact the registrar office.

### Graded Homework:

There will be 6 pieces of graded homework due throughout the second half of the course. Each homework will be worth 2% of your grade. The lowest score will be automatically dropped in the computation of your final grade. The homework will typically consist of a combination of numeric calculation and short answer questions and be available on Crowdmark.

The homework will be cumulative (you can expect around 50% of the homework to cover the previous week's material and 50% to cover past material throughout the second half of the course). The homework is **open-book/open-notes** but no collaboration is allowed.

### Notes, Emails, and Quercus Course Website:

**Quercus:** All the course materials like exercises, quizzes, notes, announcements, ... will be posted on the Quercus course website. It is your responsibility to follow up and get the information about the tests, quizzes, announcements, ...

**First Semester Course Notes:** For your convenience, the notes will be posted course notes on the website in pdf format. But the notes are **NOT** complete, and the complete version is **NOT** available.

Moreover, students are required to read and understand the textbook case studies and other materials.

**Communication for the first half of the course:** If you want to send an email, you must send it from your UofT account to [masoud.anjomshoa@utoronto.ca](mailto:masoud.anjomshoa@utoronto.ca). Do **NOT** use messages in Quercus Inbox.

**Communication for the second half of the course:** The course email is [eco202.denislamova@utoronto.ca](mailto:eco202.denislamova@utoronto.ca). Use this email address for all course organization related questions, questions regarding Accessibility accommodations, Quercus quizzes, assessment problems, tutorials etc. Any content questions or questions that other students would like the answer to should be posted on Piazza or submitted as your Weekly Lecture Question. Emails about course content will be redirected to Piazza, discussion board, and office hours.

The instructor's email is [o.denislamova@utoronto.ca](mailto:o.denislamova@utoronto.ca). Use instructor emails for course problems that require immediate attention (e.g. broken links etc.) or for personal problems. If you have a personal problem that you'd like to discuss privately in a synchronous setting, we can schedule a brief meeting. No content-related questions will be addressed by the instructor via email. Overall, e-mail is appropriate in limited circumstances: please do not take

offense if my reply simply reminds you of this section and/or directs you to Piazza. we will do my best to respond to the shorter emails within 2 business day and to the longer emails within 5 business days.

**Quercus Discussion Board:** During the entire course, the Quercus discussion board will be used to post your questions. The emphasis is on student-to-student Q&A. However, the TAs will work to ensure proper usage, flag some postings, and answer selected content questions. We will also answer questions requiring an instructor' s response (e.g. about the syllabus). Give a descriptive title to your post: for example, 'Lecture 13, Slide 7: Meaning of the alpha parameter?' or 'PS 4, Problem 2' rather than 'Help with lecture' or 'Problem Set question.' Also, specific questions that include relevant images (e.g. relevant screenshots or a scan of your attempt) tend to have the best chances of a helpful answer.

### Re-grading Appeals:

In order to appeal for re-grading your term tests, you should submit the Re-grading Request Form (ask us for it), by email, within **2 weeks** after returning the grades. After this period, no request is accepted.

Your test may be re-graded the entirely, so your grade can go either way, up or down, or remain unchanged.

## Academic Integrity and Academic Misconduct:

- Students should note that any form of academic misconduct will not be tolerated, as academic integrity is central to an UofT education. Any student caught engaging in misconduct activities will be subject to academic discipline ranging from a mark of zero on a test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

- Academic integrity is especially relevant for online courses. Consider all graded term work as individual work. Collaborating, providing or receiving answers or unauthorized help from someone else on submitted work violates academic integrity.

- Please note that all suspected cases will be reported to the Department of Economics and OSAI. Please consult with the university's Code of Behavior on Academic Matters:

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>

Also: <http://www.artsci.utoronto.ca/osai>

- In order to avoid plagiarism, your assignments might be submitted to **Ouriginal** (instead of Turnitin). You can find the details about what plagiarism is and how to avoid it, check this link: <http://advice.writing.utoronto.ca/using-sources>

- The usual University of Toronto disclaimer on use of Ouriginal is applied: “Normally, students will be required to submit their course essays to the University’s plagiarism detection tool 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 tool’s reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>)”.

- **Notice of Video Recording and Sharing:** Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

## Academic Support:

- Students with diverse backgrounds, perspectives, learning styles and needs are welcome in this course. If you need help achieving academic success in this course, please reach out.

For accessibility services/accommodation, please see: <http://www.studentlife.utoronto.ca/as>

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- The Economics Study Centre is staffed by third- and fourth-year undergraduate students who act as Learning Assistants to Economics and Commerce students. The focus of the program is on core Economics courses including ECO202. Please check the following link to for the schedule and updates:

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

- In order to receive helpful information for your essays, you can use the services of several Writing Centers at the University of Toronto. A list of these Writing Centers can be found at

<https://writing.utoronto.ca/writing-centres/arts-and-science/>

For more general advice on academic essay-writing, please refer to:

<http://www.artsci.utoronto.ca/current/advising/ell>

For more information, please contact the ELL coordinator

**Leora Freedman at [leora.freedman@utoronto.ca](mailto:leora.freedman@utoronto.ca)**



## Planned Course Schedule for the First Half of the Course:

The following is an estimated plan for the coverage. The actual pace and materials could be different.

Session	Subject	Chapter
1: May 9	National Income Accounting The Data of Macroeconomics	2
Classical Theory: Closed and Open Economies in the Long Run		
2: May 11	Short Run vs. Long Run Aggregate Demand and Supply, and Equilibrium	10-2 & 10-4 3
3: May 16	Money, Monetary System, and Inflation	4 and 5
4: May 18	Open Economies in the Long Run	6
Business Cycle Theory: The Closed and Open Economies in the Short Run		
5: May 25	Developing the IS-LM Model	11
6: May 30	Developing the IS-LM Model (Cont.)	11
7	Term Test #1 (June 1, 2022)	
8: June 6	Developing the AS-AD Model, Short Run Analysis and Long Run Adjustments	12-1 & 12-2
9: June 8	Developing the AS-AD Model, (Cont.)	12-1 & 12-2
10: June 13	Open Economies in the Long Run	13-1 to 13-3
11: June 15	Open Economies in the Long Run Fixed and Flexible Exchange Regimes (Cont.)	13-6 to 13-7
12: June 20	Catchup Session	

## Planned Course Schedule for the Second Half of the Course:

The following is an estimated plan for the coverage. The actual pace and materials could be different.

Session	Subject	Chapter
1: July 4	Developing the Upward Sloping AS	14
2: July 6	Developing the Dynamic AS-AD Model	15
3: July 11	Stabilization Policies & The Great Recession	16
Theories of Economic Growth		
4: July 13	Growth Accounting + The Solow Model	Notes
5: July 18	The Solow Model + Investment	Notes
6: July 20	Rome Model + The Solow-Romer Model	Notes
Term Test #3 (July 25 <sup>th</sup> , 2022)		
Topics in Macroeconomics		
8: July 27	Consumption Model (I)	Notes
9: August 1	Consumption Model (II)	Notes
10: August 3	Labor Markets	Notes
11: August 8	Government + Deficits	Notes
12: August 10	International Trade	Notes