

ECO202Y1Y, Macroeconomics Theory and Policy

Sections L5101, L5201, and L5301

Fall-Winter 2022-23, Economics Department,

University of Toronto

Instructor: Masoud Anjomshoa

Email: masoud.anjomshoa@utoronto.ca

Textbook:

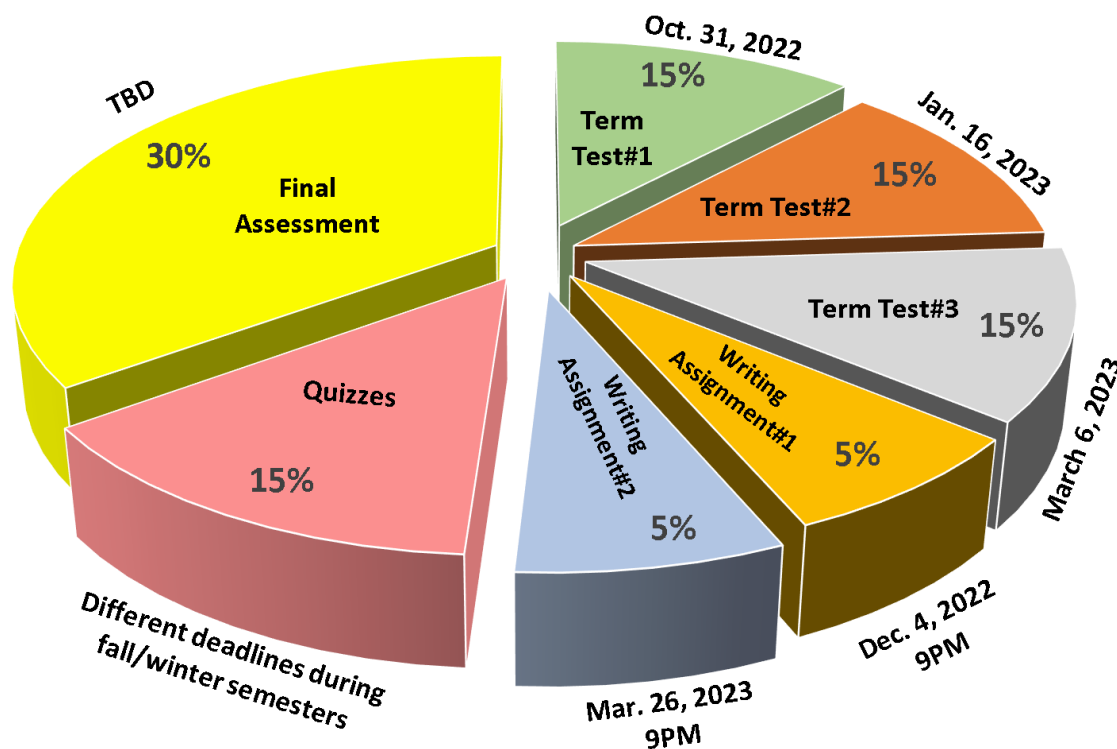
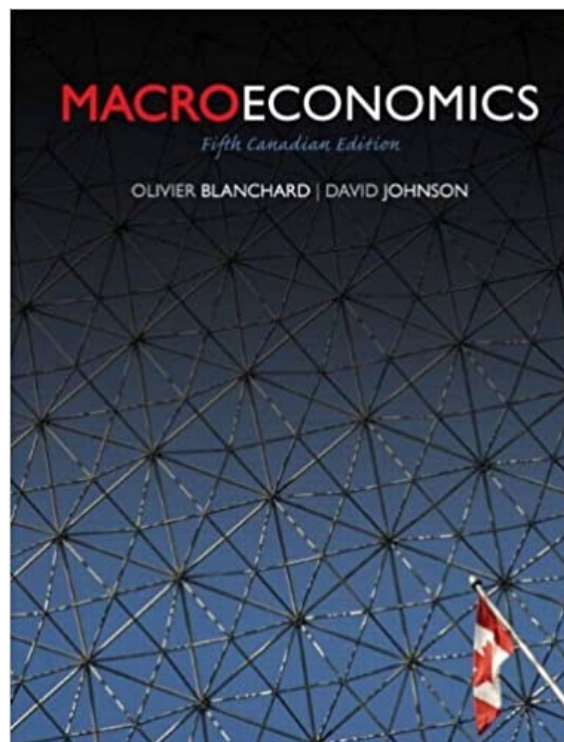
Olivier Blanchard, David Johnson,
Macroeconomics, Fifth Canadian Edition.

Do NOT use the older editions.

Office Hours: See the Quercus website

Evaluations/Grading Schemes:

Please see the details in the later pages.



Lectures and Tutorials Timing:

Note that the following sections of the course have different lecture times but share the same time slot for the tutorials and term tests (Mondays 6:00 – 8:00PM). During the tutorials, the TAs will go over the exercises and answer questions in person. These periods are also reserved for the course term tests.

| Sections | Lectures | Tutorials and Term Tests |
|----------|-----------------------------|--|
| L5101 | Tuesdays 3:00 - 5:00PM | Mondays 6:00 - 8:00PM for all sections. |
| L5201 | Thursdays 10:00AM - 12:00PM | |
| L5301 | Tuesdays 6:00 - 8:00PM | |

Course Description:

This course studies the behavior of economies in aggregate level, especially 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 medium and long run adjustments and trends, and economic expansion. In these cases, first, closed economies are studied, and then we extend our models and knowledge to open economies. At the end, some macroeconomic topics are studied in a greater detail. The consumption, investment theories, and the role of expectations 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 me know to direct you to the right person to check it for you.

- Schedule of Evaluations:

| Evaluation | Weight | Date | Time |
|-----------------------------|------------|---------------------------------------|----------------------|
| First Term Test | 15% | Oct. 31, 2022 | 6:00-8:00PM |
| Second Term Test | 15% | Jan. 16, 2023 | 6:00-8:00PM |
| Third Term Test | 15% | Mar. 6, 2023 | 6:00-8:00PM |
| Writing Assignment#1 | 5% | Dec. 4, 2022 | 9:00PM, Sharp |
| Writing Assignment#2 | 5% | March 26, 2023 | 9:00PM, Sharp |
| Quizzes | 15% | Spread over the fall/winter semesters | |
| Final Exam | 30% | TBD | TBD |

Term Tests:

Each term test, which is held in-person, is focused on a few chapters. If for any emergency circumstances, acceptable by the university rules, you miss a term test, you must inform me by email within 5 days from the test, with the related reasons and documentations.

- The weight of the missed test will be added to the final exam. If you miss **more than one term test**, one will be replaced by the final exam, and the rest will receive **ZERO** under **ANY** circumstances.

- The final exam, which will be also held in-person, is a cumulative exam covering all the chapters.

Re-grading Appeals:

In order to appeal for re-grading your term tests, you should submit the Re-grading Request Form (ask me for it), by email, within **2 weeks** after returning the grades. After this period, no request is accepted. I may re-grade the entire test, so your grade can go either way, up or down, or remain unchanged.

Writing Assignments:

The topics and details of the writing assignments will be announced later. In suspicious cases, your assignment could be checked by **Ouriginal** (a substitute for Turnitin). The deadlines for writing assignments will not be extended, so no late deduction is applicable. No excuses like network failure or system interruption ... is acceptable. If you miss the writing assignments, they **cannot** be substituted by anything else.

Quizzes:

There will be several quizzes, which will be posted on the course Quercus website, each covering a few chapters, and are in multiple-choice format. First, an upcoming quiz will be announced in advance. Then when the quiz is posted, you have a-couple of day window to start the quiz. But when you start the quiz, you need to finish it in one sitting in a limited time around 2 hours. Please make sure you do not miss the quizzes, by regularly checking Quercus. If you miss them, they **cannot** be substituted by anything else.

Warning Note: You have plenty of time to finish the writing assignments and quizzes, but please do not leave them to the last minutes, as many problems including technical problems or medical emergencies may arise. So, no medical, health, or technical excuses are accepted for missing the writing assignment and quizzes.

Notes, Emails, and Quercus Course Website:

- **Quercus:** All the course materials like exercises, quizzes, notes, prerecorded videos, 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, ...
- **Course Notes:** For your convenience, I will also post course notes on the website in pdf format. The notes are the written version of the presentations that I go over in class. But the notes are **NOT** complete, and the complete version is **NOT** available.
- **Emails:** If you want to send me an email, you must send it from your UofT account to masoud.anjomshoa@utoronto.ca. I prefer **NOT** to receive messages in Quercus Inbox.

Important Notes:

- In this course, the textbook is followed closely, but supplementary examples, graphs, articles, videos, and materials might be discussed or posted. Students are responsible for all the course materials for the tests and exam.
- This course is an in-person course, so you need to attend the lectures. However, I may post pre-recorded **videos** for **SOME** lectures, just as an extra help. You may find them useful for better understanding of the materials, as they may include more explanations and examples at a slower pace. Note that there could be some discrepancies between videos and actual lectures, as I may change some course materials, without warning.
- There might be some marginal grade adjustments for the final grade of the course at the instructor's discretion, in terms of letter grade. In case of petition for re-grading of the final exam, the adjustment may be revised for the final mark of the course.

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 elements of the courses, like quizzes. 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>

- 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

Using Crowdmark Platform as the Grading Tool:

This course will use Crowdmark, a collaborative online grading tool for marking and providing feedback on graded term assessments. Crowdmark provides efficiencies with grading, data recording, returning term assessments and handling regrade requests. Copies of student work marked in Crowdmark, including grading and feedback, will be available online to students for at least one year. Digital (i.e., online) copies will serve as the authoritative record for course administrative purposes, and paper copies of assessments scanned and uploaded to Crowdmark will be destroyed after the term has ended and final grades are approved. If you have questions about how your information is stored on Crowdmark, please contact your course instructor.

Planned Course Schedule:

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

| Chapters | Weeks | Topics |
|----------|-------------------|---|
| 2 | Sep. 8 – Sep. 14 | - Macroeconomic Data and Approach |
| 3 – 4 | Sep. 15 – Sep. 21 | - Equilibrium in Goods and Financial Markets (IS and LM Curves) |
| 4 – 5 | Sep. 22 – Sep. 28 | - Equilibrium in Goods and Financial Markets (Cont.) |
| 5 | Sep. 29 – Oct. 5 | - Short Run Equilibrium in Closed Economies, Macroeconomic Policies |
| 6 | Oct. 6 – Oct. 12 | - Open Economies and Exchange Rate Determination |
| 7 | Oct. 13 – Oct. 19 | - Goods and Financial Markets in Open Economies |
| 7-8 | Oct. 20 – Oct. 26 | - Short Run Equilibrium in Goods and Financial Markets in Open economies, and Equilibrium Exchange Rate |
| 8 | Oct. 27 – Nov. 2 | - Short Run Equilibrium in Goods and Financial Markets in Open economies, and Equilibrium Exchange Rate (Cont.) |
| 9 | Nov. 3 – Nov. 16 | - Labor Market, Natural Rate of Unemployment, Unemployment Rate |
| 10 | Nov. 17 – Nov. 23 | - Labor Market, Natural Rate of Unemployment, Unemployment Rate, Aggregate Demand and Supply |
| 10 – 11 | Nov. 24 – Nov. 30 | - Medium Run Equilibrium in Closed Economies. Demand side and Supply Side Macroeconomic Policies |
| 12 | Dec. 1 – Dec. 7 | - Phillips Curve, Money Growth Rate, and Inflation Rate |
| 12 - 13 | Jan. 10 – Jan. 16 | - Phillips Curve, Okun's Law, Policy Credibility and Disinflation |
| 13 | Jan. 17 – Jan. 23 | - Phillips Curve, Okun's Law, Policy Credibility and Disinflation (Cont.) |
| 14 | Jan. 24 – Jan. 30 | - Exchange Rate Regimes, Open Economies in the Medium Run |
| 15 | Jan. 31 – Feb. 6 | - Economic Growth: Stylized Facts, Saving, Capital Accumulation, and Output Growth: Solow Model. |
| 15 – 16 | Feb. 7 – Feb. 13 | - Technological Progress and Economic Growth in the Long Run |
| 16 - 17 | Feb. 14 – Feb. 27 | - Technological Progress and Economic Growth |
| 19 | Feb. 28 – Mar. 6 | - Real Interest Rate vs. Nominal Interest Rate |
| 21 | Mar. 7 – Mar. 13 | - Consumption Theories |
| 21 | Mar. 14 – Mar. 20 | - Consumption Theories (Cont.) |
| 21 | Mar. 21 – Mar. 27 | - Consumption Theories (Cont.) |
| 21 | Mar. 28 – Apr. 3 | - Investment Theories |
| | Apr. 4 – Apr. 6 | - Review/Catchup |

Short Run Analysis

Medium Run Analysis

Long Run Analysis

Other Macro Topics