

ECO 466 H1F: Empirical Macroeconomics and Policy

Fall 2022

Department of Economics, University of Toronto

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Lectures: Tuesday 10-12 and Thursday 10-12 (September 8 – October 18)
Location: FE 33

Course Description

This course builds on material covered in previous macroeconomics and econometrics courses. Students will increase their data literacy and learn how to apply techniques to address policy issues. Topics covered will include how monetary policy is conducted, ways in which the central banks use general equilibrium models, and basic techniques for predicting key macroeconomic variables. As part of the course, students will follow current economic developments and will forecast how domestic and international events may alter the Bank of Canada's monetary policy in the short run.

Course Structure

The course runs through the first half of the fall semester only. In addition to individual tasks, students will be divided into groups of up to five and work towards a group presentation. Following the conclusion of the course, five students will be selected by the instructors to participate in the Bank of Canada (BoC) “Governor’s Challenge” competition (<http://www.bankofcanada.ca/research/governors-challenge/>) which takes place in two rounds: round 1 will be a virtual presentation from Toronto in November and, if the team successfully passes to the next round, round 2 at the BoC premises in Ottawa in the winter (usually February). This will require extra time commitment above and beyond the scope of the course. By enrolling in this course students agree to take part in the BoC competition should they be selected.

Previous Training

Prerequisites: ECO208Y1(70%)/ ECO209Y1(70%)/ ECO202Y1(75%)/ ECO325H1(70%);
ECO374H1(70%)/ ECO375H1(70%)
Recommended: ECO325 or ECO425, ECO475

The prerequisites are checked by the administration of the Department of Economics and students will be removed from the course list if the prerequisites are not met. In addition, admission to this course requires the permission of the instructors. After you tentatively enroll in the course via ACORN, you will be contacted by one of the instructors for a short virtual interview.

Software

We will use Stata or R for empirical analysis of macroeconomic models. Familiarity with Stata or R is assumed.

Evaluation

The final grade is based on the following:

Task	Weight	(Due) Date
Term Test	30 %	October 18
Group presentation	30 %	October 13
Active Participation	10 %	Through the course
Econometrics Assignment	5%	October 7
Macroeconomics Assignments	25%	Sept 14, Sept 21, Sept 28

- Students who miss the Term Test will receive a zero grade for it, unless a medical note is received by the instructors within one week of the missed test explaining why the test was missed. ○ The note must be provided using the University of Toronto medical certificate; ○ The note must state that on the date of the test, the student was too sick to write the test. ○ It is an academic offence to feign illness to avoid a test.
- If a student has been excused from the Term Test on medical grounds, they will be permitted to write a Make-up Test. ○ The Make-up Test will be worth the value of the Term Test.
 - Consistent with university policy, there is no “make-up” test for the Make-up Test. A grade of zero will be applied if the Make-up Test is requested but missed.
- If students wish to appeal a Term Test or Make-up Test grade, they must provide a written explanation of why they believe their grade is mistaken, and submit it to the instructors within one week of the test being returned to the class.
- Participation in the course work and group discussions enters as a graded component.

There will be 3 macroeconomics assignments submitted via Crowdmark and due by 2pm on the dates given above. Students can form groups of 3-5 to complete the assignments. Assignments that are received late will receive a grade of zero.

Additional problem sets or assignments may be given out throughout the course. These will not be graded, but serve to prepare students for the graded test, assignments and the BoC competition.

Use of Material

By enrolling in this course, the students agree that any material they submit as part of their Assignments or Group presentation slides, or any ideas generated by them during the course, may be used by other students during participation in the Bank of Canada “Governor’s Challenge” competition. All students in the course thus contribute to a team endeavor to represent the University of Toronto at the national stage.

Accessibility

For accessibility accommodation see [Accessibility Services - UofT Student Life \(utoronto.ca\)](https://utoronto.ca/accessibility-services)

Tentative Course Schedule

Wk 1	Mon	Sep	5	<i>Labour Day</i>	
	Thr	Sep	8	Prof. Melino	Introduction
Wk 2	Tue	Sep	13	Prof. Burda	VAR Model
	Thr	Sep	15	Prof. Melino	Macro Topic/Group Work
Wk 3	Tue	Sep	20	Prof. Burda	Forecasting Case Study
	Thr	Sep	22	Prof. Melino	Macro Topic/Group Work
Wk 4	Tue	Sep	27	Prof. Burda	VEC Model
	Thr	Sep	29	Prof. Melino	Macro Topic/Group Work
Wk 5	Tue	Oct	4	Prof. Burda	RNN and Machine Learning
	Thr	Oct	6	Prof. Melino	Macro Topic/Group Work
Wk 6	Tue	Oct	11	Prof. Burda	Guest Speaker/Group Work
	Thr	Oct	13	both	Group Presentations
Wk 7	Tue	Oct	18	T.A.	a) Term Test (macro part) b) Term Test (metrics part)

Macro Assignments Due by 2pm:

1. Wed Sept 14
2. Wed Sept 21
3. Wed Sept 28

Econometrics Assignment due:

Friday, October 7