ECO202Y1Y - Macroeconomic Theory and Policy
Dept. of Economics, University of Toronto, Prof. Tyler Paul
Sections L0101 and L0201, Fall 2023 – Spring 2024

Course Quercus
> https://q.utoronto.ca/courses/318150

Course Description
This course will further your understanding of modern macroeconomic topics, methods, and policy implications. We will cover the measurement of macroeconomic variables, theory and evidence of long-run growth, causes of and policy responses to short-run fluctuations, international trade and exchange rates.

Learning Objectives
This course has six key learning objectives:
1) Recognize a set of facts about macroeconomic activity and appreciate how they inform our modeling assumptions
2) Understand the strengths and weaknesses of existing methods of measuring the macroeconomy
3) Describe three different theories of long-run economic growth and compare their ability to explain real world data
4) Articulate the likely macroeconomic consequences of various shocks through the lens of a mathematical model
5) Analyze fiscal and monetary policy options for rectifying business cycle fluctuations
6) Identify the microeconomic foundations of modern macroeconomic theory

Course Delivery
This course will be taught **fully in person** at the St. George campus. We will meet weekly for a two-hour lecture and a one-hour tutorial:
> Lectures
> - o L0101 meets Wednesdays, 11am-1pm in Al Green Theatre (ALGT)
> - o L0201 meets Thursdays, 11am-1pm in RW 117
> Tutorials
> - o L0101 meets Mondays, 2-3pm in ALGT (Fall) and RW 117 (Winter)
> - o L0201 meets Mondays, 1-2pm in AH400 (Fall) and UC140 (Winter)

Lecture attendance is mandatory and forms part of your course grade (see below for details). During lectures I will present core course material from the textbook and other sources, as well as work through practice problems with you. Lectures will be recorded and posted online to Quercus (with a delay) to help you review while studying. All exams will be **in person**, while other forms of assessment will be delivered **online** through Quercus and/or Crowdmark. TAs will lead tutorials by reviewing lecture material, solving new practice problems step-by-step, and answering any questions you may have. Tutorial attendance is optional but *strongly*

recommended. Students who attend tutorials tend to perform significantly better than students who do not.

Required Textbook
***Macroeconomics*, by Charles I. Jones, 5th edition.** The text is available through the U of T bookstore. We will be using the book extensively so ensure you have access to a copy. You may use the 4th edition as well, though some of the end-of-chapter problems are different. You are responsible for any differences in editions.

Technology Requirements
To access course materials and submit assignments you will need internet access. To receive in-class participation points you will need to purchase an iClicker account, either from the website or the app: https://student.iclicker.com/#/login. This account will be active for 6 months and can be used for all of your classes.

You may use a previously-purchased iClicker remote. To register your used iClicker remote for our class and avoid paying fees, make sure you **register on Quercus**, **not the iClicker website**. Once registered you may link your remote to the iClicker app and use that instead, so you no longer need to bring the remote each week. For details on how to register your iClicker remove: https://teaching.utoronto.ca/resources/student-support/

Office Hours
I will hold in-person office hours on **Tuesdays from 1-2:30pm in room 346** of the Department of Economics. I will also hold virtual office hours on Zoom on **Fridays from 10-11am**. You can find the link on Quercus. If these times are not well attended I may adjust them to ensure more students have access. The TAs will hold in-person and virtual office hours on a rotating schedule. Please see the schedule posted to Quercus for exact times, dates, and locations.

Communication
I will post course announcements to Quercus, which will automatically email your U of T address by default. Make sure your notification settings allow announcements to be forwarded to your email. You are responsible for reading all announcements. All course material will be posted to Quercus.

Questions relating to course logistics and administration should be directed to the course email account: eco202y1y.b@course.utoronto.ca. This inbox will be monitored by Economics department staff who can answer any queries regarding scheduling, assignment due dates, accommodations, etc. If they are unable to help you they will forward your request directly to me.

If you have a personal matter you wish to discuss privately with me please reach me at tyler.paul@utoronto.ca. I will not answer content or general course questions at this address. You can expect a reply within three business days of emailing me.
Questions relating to course content are best answered during class, tutorials, or in office hours. Otherwise, you may use the following online options:

1) **Piazza:** this online discussion board can be accessed through a link on Quercus. Piazza allows you to post questions (anonymously if you prefer) to your classmates and the TAs. If you know the answer to another student's question feel free to reply, and the TA will mark your answer as correct if they agree. The board will be monitored daily by a TA and myself, and we will answer as many questions as we have time to each day. However, due to the size of the class we may be unable to answer every new question as they come up. Please wait 48 hours before re-asking a question if it hasn't been answered yet.

2) **Discord:** I have created a class Discord server that should be used for informal discussion about the course. Questions on Discord will not be answered by the TAs; it is mainly a tool for you to connect with your fellow classmates. Past students have used Discord to ask simple questions (e.g. "where's the final exam again?"), form virtual or in-person study groups, or review practice problems together. I expect you to make the server a welcoming environment to all students. We will moderate the discussion to ensure it meets university guidelines. If the server is misused I reserve the right to close it at any time.

Grades, Assignments, and Important Dates

Assignment	Weight	Due date
Class participation (20)	5%	Every lecture
Online Quizzes (20)	5%	Every Wednesday at 11:59pm
Online Short Answers (6)	10%	Every other Wednesday at 11:59pm
Writing Assignments (2)	10%	Fall: 16/11/23 Spring: 7/3/24
Midterm exams (3)	45%	MT1: 23/10/23 MT2: Fall final exam period MT3: 26/2/24
Final exam (1)	25%	Spring final exam period

Online Quizzes

Each week I will post a short quiz to Quercus which will ask you a variety of multiple choice and numeric questions regarding the material. This quiz will be graded **for participation only**: if you make an honest attempt to answer each question, you will get full credit. You will receive no credit if you: a) fail to submit the quiz on-time, or; b) clearly do not try to solve the questions. As these quizzes are for participation only, you are free to discuss questions with classmates and work together.

There will be 24 quizzes in total, and each quiz will be worth $\frac{1}{4}$% of your overall grade. I will **automatically drop your lowest four** quizzes over the entire year. This means if you forget to do four quizzes, you will still earn full credit. Submitting all 24 quizzes will not earn any additional points. There will be **no extensions** for quizzes. Late submissions will **receive zero points.**

The purpose of these quizzes is twofold: first, they encourage you to think about the course material outside of lectures and tutorials. Frequent reviewing of content will help you retain knowledge and make studying for exams easier. Second, they give you a low-stakes opportunity to practice the material. Do not stress about getting everything correct, as simply trying will earn you full marks. Instead, treat the quizzes as a chance to test yourself to find any gaps in your understanding.

Online Short Answers ('the sentences')

Every two weeks I will post a short assignment to Quercus which will ask you to respond to several prompts with short answers. Specifically, I want you to answer each question with **exactly one sentence**. I will demonstrate what I am looking for in-class and the TAs will be happy to help during tutorials and office hours. The goal is to practice writing succinct answers that directly address the question. Answers longer than one sentence will earn zero points.

There will be 12 'sentence' assignments in total, each worth 1% of your overall grade. I will **automatically drop your lowest two** sentence assignments. There will be **no extensions or regrade requests** for short answers. Late submissions will **receive zero points.** You may discuss the prompts with classmates and share ideas about what to include or emphasize in your sentence, but **you are responsible for submitting your own work**. Submitting someone else's work as your own will result in a zero for that assignment and could lead to an Academic Integrity investigation.

As the year progresses and I evaluate how well students are doing on this assignment I may adjust its specifications (e.g. shorter or longer answers).

Writing Assignments

Once per term I will ask you to write a short essay critically analyzing the economic content of an article from a popular news journal like *The Economist*. The objective is to interpret the text using tools and knowledge developed in class and provide insights beyond what a layperson would understand. To do well on this assignment you must reference theories, facts or data from class. Each writing assignment will be worth 5% of your overall grade. You may discuss the assignment and article with your classmates, but **you must submit your own work.**

The first writing assignment will be due November 16. The second writing assignment will be due March 7. I will publish more details three weeks before the respective due date. **The due date cannot be extended.** Late assignments will receive a penalty of 20 percentage points per 24 hours after the due date, so after five days the assignment will be worth zero points. There will be no make-up assignment if you fail to submit on-time.

Midterm and Final Exams

There will be three midterm exams, each worth 15%, and one final exam worth 25% during the Spring final exam period. Midterms 1 and 3 will be held during normal tutorial hours (Mondays

from 1-3pm). **For section L0101, Midterm 1 will be held in EX 100 instead of the normal tutorial room.** Midterm 2 will be held during the Fall final exam period, time and location TBD. The final exam will be cumulative and thus longer than the midterm exams. All exams will be closed book. I will post more details about each exam as we approach them.

Regrade Requests for Exams and Writing Assignments

Regrade requests must be submitted online through the MS Form provided on Quercus. You have **two weeks following the due date** to submit a regrade request. After two weeks we will not honor any regrade requests. Once submitted your entire assignment will be regraded, and your new score could be higher, lower, or the same.

Missing Midterms Due to Unforeseeable Events

Under normal circumstances, the failure to take a midterm during the designated time will result in a zero for that exam. On rare occasions we will grant special accommodations due to illness, injury, legal issues, personal/family problems, extracurricular conflicts, religious practices, accessibility concerns, or other unusual and serious situations. Missing a midterm due to, for example, sleeping through your alarm or working late at a job will not receive special accommodations.

In order to be considered for a potential make-up exam **you must alert me as soon as you know** you will be unable to attend class. In most cases this must be **before the exam**. I will only consider granting a make-up exam for students who contact me after missing a exam if their situation would reasonably prevent them from contacting me sooner.

To inform me of your inability to attend an exam and to request a make-up, please complete these steps:
1) Obtain **one** of the following pieces of documentation to verify your absence:
    i. Absence declaration form via ACORN
        - When submitting via ACORN, please send the verification email to the course inbox: eco202y1y.b@course.utoronto.ca
    ii. Verification of Illness or Injury Form [(VOI)](VOI)
    iii. College Registrar's letter
    iv. Letter of Academic Accommodation from Accessibility Services
2) Complete the Missed Term Test form on Quercus and attach your documentation from the previous step. The date at which this is submitted will be used when considering your request. When explaining your absence, you may provide as much detail as you feel comfortable, but **you are not required to reveal anything personal**. If your absence involves a deeply private issue, please seek guidance from your College Registrar first about how to communicate with me.
3) One week after submitting the Missed Term Test form you will receive an email from me that will either: approve your request for a make-up exam; ask for more information; or deny your request. If you feel you I have not treated your request fairly you may contact your College Registrar to mediate.

The above steps **must be followed** to receive consideration. Additionally, you are welcome to contact me via email or in office hours to further discuss your absence, but this is not required.

You should also review the Arts and Sciences specific policy details here:
https://www.artsci.utoronto.ca/current/academics/student-absences

Note, the Absence Declaration form can only be used once per academic term (e.g., once per the fall term, not per course) and up to seven consecutive days. If other subsequent issues arise, then you will need to provide other forms of recognized documentation (e.g., Verification of Illness Form, College Registrar's Letter, or a Letter of Academic Accommodation from Accessibility Services).

There will be **one make-up midterm exam** scheduled for the end of the Spring semester (sometime following midterm 3 but before the final exam period). This exam will cover material from the entire year and will replace your grade on the exam you missed. There will be **no other make-up exams scheduled.** If you miss two midterms throughout the year you will only be able to make-up one. If you anticipate that may happen please contact your College Registrar as soon as possible to discuss your academic plans.

If you are facing significant difficulties in attending class or completing assignments that continue for longer than a week you should contact your College Registrar immediately for assistance.

Use of Generative AI for Assignments (ChatGPT)
You may not copy or paraphrase from any generative artificial intelligence application, including ChatGPT and other AI writing assistants, for the purpose of completing the writing assignments in this course. Use of generative AI for this assignment may be considered use of an unauthorized aid, which is a form of cheating. The objective of the writing assignment is to give you experience interpreting an article about a complicated topic, and effectively communicating your own ideas based on what we've discussed in class. These skills are highly desired for most jobs that Economics majors seek upon graduation, like consulting, financial advising, or policy work. Failure to practice writing by relying on ChatGPT will harm your career prospects.

You may not copy or paraphrase from any generative AI application for the purpose of completing the short answer ('sentences') assignments in this course. However, you may consult an AI if you want help creating ideas for how to start (i.e. to overcome writer's block). Some of the sentence prompts will ask you to read an AI sentence and discuss its validity, so keep in mind that content written by AI would likely not receiving a passing mark. **Ultimately, your submission must be entirely your own work – no copying or paraphrasing**.

Class Participation
During each lecture I will ask you to answer several questions regarding the material using iClicker (either the remote or the app). Fully responding to **the majority of questions** during lecture will earn participation credit for that day worth $\frac{1}{4}$% of your overall grade. Occasionally missing a question due to using the restroom, phone problems, etc. will not lose points unless it becomes a pattern across several lectures. I will **automatically drop four classes** from your

participation grade, which means you only need to participate **in 20 lectures** to receive full credit.

If you encounter technical difficulties during a lecture and believe your responses were not sent, you must **speak with me after class or email the course inbox ASAP**. You are responsible for checking your Quercus grades to ensure you received participation for each class. The gradebook will be updated within 48 hours of lecture. You have **four days following lecture** to file any claims that the technology failed.

Notice of Crowdmark
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 me via email.

Notice of Lecture Recordings
This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session. Course videos and materials belong to myself, 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 my explicit permission. For questions about the recording and use of videos in which you appear, please contact me via email.

Accessibility, Inclusion, and Support Resources
Students with diverse backgrounds, perspectives, learning styles and needs are welcome in this course. I want the classroom to be an open and welcoming environment where everyone feels comfortable to raise their hand and speak. If you feel there are things I could do better to improve the inclusion in the classroom please let me know.

Additionally, the university provides a variety of support services for students:
- For course catalog questions including prerequisites, please contact the Department of Economics undergraduate administrator.
- If you require accommodations for a disability or health concern please visit the Accessibility Services Office. You can register your needs with Accessibility Services.
- For resources to promote your academic success, visit the Academic Success Centre.
- The university provides all students with free 24-hour access to the U of T Telus Health Student Support line. You can confidentially speak with a counsellor about any mental health or life issues affecting you, or set-up an appointment for ongoing support. This is a fantastic resource; I suggest using it early, before the stress of the semester piles up, so that you will be more confident to face future challenges.
- For long-term issues that are impacting your academics, contact your College Registrar.

Academic Integrity

Academic integrity is central to a UofT education. We take academic integrity very seriously, and so should you. As a member of the university community you have committed to act with honesty, trust, fairness, respect, responsibility and courage in all academic matters. No student plans on violating this commitment at the initially, but . Most academic integrity violations occur due to circumstance: fast-approaching deadlines, falling behind in work, worrying about poor performance, or anything that causes stress. In these cases, cheating is **not** the easy way out. Not only do you cheapen the time you spend here, but the risk of failing the class and setting back your academic progress is extremely high. To avoid making an academic integrity violation, follow these guidelines:

- **Do your own work**. We design course work to develop and assess skills useful in upper-level courses and the job market. You lose a valuable opportunity to develop these skills and lower the value of the UofT brand when you cheat.
- **Properly acknowledge other people's ideas**. You'd want the same for your ideas.
- **Ask if you are unsure**. I have tried to be clear about the resources and potential for collaboration allowed on each assignment. If you are still unsure after reviewing the syllabus, please ask me. Being unsure of what constitutes an academic integrity violation is not an excuse, and will still be fully report to the Department of Economics and the Office of Student Academic Integrity.
- 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*).
- Read the University of Toronto's Code of Behavior on Academic Matters (https://www.artsci.utoronto.ca/current/academic-advising-and-support/student-academic-integrity).

Statement of Positive Encouragement

Here are three ideals that I strongly believe can improve your university experience.

1) **This class (and all others) should be enjoyable and fun.**
   Congratulations on making it this far in your academic career. You now have the luxury of studying topics that you personally find interesting. That's awesome! Enjoy this time, and have fun soaking up as much knowledge as you can.

2) **You absolutely will succeed if you believe you can.**
   A necessary condition for ensuring your success is to believe in yourself. Your acceptance into U of T indicates you have the capacity to do well, but more important is envisioning

yourself achieving your goals. Taking ownership of your learning with confidence is a great way to get the most out of this course.

3) **Your professor and TAs are on your team.**
   You're not alone! We are here to help you – our goal is to develop capable and learned members of society. We've all been in your shoes before, so we know the types of challenges you may face. Don't be afraid to ask for help.

Topics Outline

Below is a tentative sequence of topics we will cover. The actual order and material covered may differ throughout the year.

Topic	Chapter	Description
Introduction	1-2	Introduction, Measuring the Macroeconomy
Long Run	3	An Overview of Long-Run Economic Growth
	4	Modelling Long Run Growth: The Production Model
	5	Modelling Long Run Growth: The Solow Model
	17	Investment
	16	Neoclassical Consumption Model
	6	Growth and Ideas
	7	The Labor Market, Wages, and Unemployment
	8	Inflation
Short Run	9	Measuring short-run fluctuations, a simple model
	10	The Great Recession: facts and causes
	11	The IS Curve
	12	Monetary Policy and the Philips Curve
	13	The AS/AD model
	14	Applying the AS/AD model
	15	The DSGE model
Government and International	18	The Role of Government
	19	International Trade
	20	Exchange Rates and International Finance