

Department of Economics University of Toronto

ECO 208 – Fall/Winter 2010-11 Macroeconomic Theory

Instructor	Baran Doda, baran.doda@utoronto.ca
Lectures	M, 18:00-20:00, LM 161
Office Hours & Location	M, 17:00-18:00, GE 350
Teaching Assistant	Leandro Freylejer, leandro.freylejer@utoronto.ca
Tutorials	M, 20:00-21:00, LM 161
TA Office Hours & Location	R, 13:30-14:30, GE 76

Course Description:

ECO208 is an intermediate-level course in macroeconomics. The course develops a unified framework that is based on micro-foundations to study macroeconomic events and policy. Topics include: (a) measurement of output, prices, and business cycles, (b) economic growth, (c) analysis of fiscal and monetary policy, (d) business cycles, (e) international trade and exchange rates, and, if time permits, (f) unemployment. For the interested student, the content of this course will form a solid intuitive foundation for the advanced study of modern macroeconomics in upper year and graduate level courses.

Textbook:

The required textbook for this course is *Macroeconomics* by Stephen Williamson, 3rd Canadian Edition. The purchase of the accompanying *Study Guide for Macroeconomics* by Stephen Williamson and Chandan Shirvaikar is recommended for students who would like additional practice.

Grading and Exam Policy:

The course grade consists of term work worth 60% and a final exam worth 40%. Class participation is encouraged and will count positively towards marginal adjustments to the final course grade. No other work will be counted towards the grade. Term work includes three term tests. As an insurance policy, only the best two marks will be counted towards the term grade. There will be **NO** make-up for terms tests. This implies for example that a student who takes one exam and fails to take the other two will receive zero as one of the marks, i.e. 0 for 30% of the final grade. Under **NO** circumstances term weight will be shifted to the final exam. Term tests will be given during class time on October 25, December 8, and February 14. The location for these exams will be announced later during the course of the class.

Tutorials and TA Resources:

Tutorials will be irregularly spaced over the year and will be announced in advance either in class or through Blackboard. During the tutorial hour, the TA will take up the answers to the assigned problems, mostly from the text. The TA will also hold weekly office hours to answer questions about the lectures, text etc. I encourage you to attend tutorials and make use of the TA's office hours.

Miscellaneous:

- Announcements, lecture notes, suggested problems, and any other class-related material will be posted on Blackboard. It is your responsibility to check the site regularly.
- I reserve the right to stop posting my lecture notes if attendance to lectures is low.
- Tutorial time slot allocation may be used for lectures occasionally
- I reserve the right to reduce the quantity/frequency of my and the TA's office hours, as well as the tutorials, if these resources are used with low intensity.
- Email is an inefficient way of resolving questions regarding the content of the course. Consequently, these questions will only be handled during lectures, tutorials or office hours. There will be **NO** exceptions to this policy.

Course Outline:

- 1) Introduction (Chapter 1)
- 2) Measurement (Chapter 2)
- 3) Business-Cycle Measurement (Chapter 3)
- 4) Consumer and Firm Behavior (Chapter 4)
- 5) A Closed-Economy One-Period Model (Chapter 5)
- 6) Economic Growth (Chapter 6 + parts of Chapter 7)
- 7) A Two-Period Model (Chapter 8)
- 8) A Real Inter-temporal Model with Investment (Chapter 9)
- 9) A Monetary Model (Chapter 10)
- 10) International Trade in Goods and Assets (Chapter 13)
- 11) International Finance (Chapter 14)
- 12) Unemployment (Chapter 16)

Note that the material in some chapters will be complemented with parts of the Mathematical Appendix in the text and additional notes.

Some Important Dates:

October 11, 2010	Class cancelled (Thanksgiving)
October 25, 2010	1st term test
November 8, 2010	Class cancelled (Fall break)
December 8, 2010	2nd term test (Make-up Monday)
February 14, 2011	3rd term test
February 21, 2011	Class cancelled (Reading week)
April 4, 2011	Last class