ECONOMICS 209Y: MACROECONOMICS THEORY AND POLICY

Main Reading List

Basic Texts


Other References


1 NATIONAL INCOME DETERMINATION

1. Introduction and Some Problems in Macroeconomics
   Ch. 1.

2. National Income Accounting
   Ch. 2.

3. Simple Keynesian Model
   Ch. 10, pp. 188-195.

4. Introduction of Government Sector
   Ch. 10, pp. 195-203.

5. Introduction of Foreign Sector
   Ch. 10, pp. 203-204.

6. Introduction of Monetary Sector
   Ch. 11.

7. Introduction to Labour Markets
   Ch. 3.

8. Underemployment Equilibrium

9. Classical versus Keynesian Model

10. Consumption Function
    Ch. 14.
II MONETARY THEORY AND POLICY

1. Money and Its Uses - A Hypothetical Model
2. The Quantity Equation
3. The Quantity Theory and the Demand for Money
   Ch. 16.
4. Supply of Money (Including Central Banking Techniques)
   Ch. 18.
5. Inflation
   Chs. 8.
   J.L. Carr, Wage and Price Controls: Panacea for Inflation or Prescription for
   Disaster?, Fraser Institute, 1976, reprinted in J.L. Carr, et al., The
   Illusions of Wage and Price Controls, Fraser Institute, 1976.
6. Money and Real Economic Activity
   Chs. 7.
7. Monetary Policy, Fiscal Policy and Stabilization
   Chs. 12, 17, 19.
8. New Classical Macro vs. New Keynesian
   Ch. 20.
9. International Monetary Arrangements
   Chs. 5, 13.
10. The Capital Market and Financial Intermediaries
11. Theory of Interest (Including Term Structure)

NOTE: The book recommended for this course is Dornbusch, Fischer, Startz, Atkins and Sparks. Final
mark in this course will consist of a final examination counting for 50% and two term tests counting for
25%. The first term test is on Friday, November 5, 2010 and the second term test is on Friday, February
4, 2011.

I will not respond to email inquiries unless it is an emergency. I will take up ‘generic’ questions that
could be of interest to all students at the beginning of next class.