

Department of Economics  
University of Toronto  
2010-2011

**ECO 209Y1Y – L5201  
MACROECONOMIC THEORY**

R 6:00-9:00pm

**INSTRUCTOR:** Dr. Reza Ghaeli  
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**Office Hours:** Thursdays 5 to 6 PM

**COURSE DESCRIPTION**

The course examines modern macroeconomic theory and provides the students with a toolkit for analyzing important Canadian macroeconomic issues such as economic growth, unemployment and inflation. Students will learn about the theory of exchange rate determination, capital markets, and international macroeconomic policy. Special attention will be paid to the importance of monetary policy and the channels through which it affects the economy. Students will also study how government budget deficits affect interest rates, trade balances, and exchange rates.

**REQUIRED TEXTBOOK**

A.B. Abel, B. S. Bernanke, and R.D. Kneebone (**ABK**), *Macroeconomics, Fifth Canadian Edition (Pearson Addison Wesley, 2008)*.

Regular use of the text's Companion Website ([www.pearsoned.ca/abel](http://www.pearsoned.ca/abel)) and the purchase of the text's accompanying *study guide* are recommended.

**READING ASSIGNMENTS**

Reading assignments consist of Chapters 1 to 15 of the required text (ABK) as well as handouts and supplementary materials from time to time. The chapters from the required text will be covered sequentially during lecture hours. Any changes in coverage and deletions, if applicable, will be pre-announced in class and/or posted on the course website. Handouts and supplementary reading assignments will also be posted on the course website during the year. Here a rough time line for the course:

<b>Weeks/Lectures</b>	<b>Chapters</b>
1 to 5	1- 5
6 (October 21)	Test 1
7 to 11	6, 7, 9 and 10
12 (December 2)	Test 2
End of First Term	
13 to 17	10, 8, 11 and 12
18 (February 10)	Test 3
19 to 24 (week 20 is Winter Break)	13-15
25 (March 31)	Test 4
26	End of Course Wrap up

**LECTURES / TUTORIALS / Office Hours**

Lectures, tutorials and office hours will be held on **Thursdays in room SS2106** as follows: Office Hours from 5 to 6 PM, Lectures from 6 to 8 PM and tutorial from 8 to 9 PM.

**TESTS / EXAMS**

The final mark for the course will be based on FOUR in-class term tests, a final exam, occasional assignments and class participation. Term tests will be held in class on October 21 and December 2, 2010 and February 10 and

March 31, 2011. Students are required to write all four tests. If for emergency reasons, consistent with the university rules, you miss a term test, its weight will be shifted to the remaining test(s). The weight for the last test, if missed for emergency reasons, will be shifted to the final exam. In these instances, students are required (without exceptions) to submit official documentation in person (i.e., not by fax or by e-mail) within one week of the missed test. Late submissions will not be accepted. Students who fail to provide a compelling reason for missing a term test will receive a grade of zero for the missed test.

A maximum of two term tests may be missed for emergency reasons subject to conditions outlined above. **Failure to write term tests for a third or fourth time will result in a mark of zero for the missing tests under any circumstances.**

## **DOCUMENTATION REQUIREMENTS FOR SICK NOTES**

Please review University Policy towards student sick notes by clicking on the following link:

<http://homes.chass.utoronto.ca/~benjamin/AbsenceMemoSept2010.pdf>

## **EVALUATION**

The breakdown of the final grade will be 50% for term tests (12.5% each) and 50% for the final exam.

## **EMAIL POLICY**

Email can be used for course-related inquiries. I will reply to **legitimate** emails within one business day. If you do not receive a reply within this time, please re-submit your inquiry.

When sending emails, please use your UTORmail email account. Each email message must include in the Subject line the course identifier and a concise statement of purpose (e.g. ECO209Y1Y: I have a conflict with the next test); otherwise it is likely to be deleted along with spam messages. Please make sure you consult the course outline, handouts and the course website BEFORE submitting inquiries by email.

Emails should NOT be seen as an alternative to meeting your instructor or your TA during the office hours or tutorials. Nor should emails be used as a mechanism to receive private tutorials (especially prior to tests) or to explain material that was covered in lectures you missed.

## **ACADEMIC HONESTY**

Students are expected to be informed about plagiarism and familiar with Faculty Rules and Regulations, Code of Behavior on Academic Matters and Code of Student Conduct (see University of Toronto Calendar 2009/10) which state your rights, your duties and provide all the details on grading regulations at the University of Toronto.

Good Luck