

**Burhanettin (Burhan) Kuruscu**  
**Spring 2010**  
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## **ECO 325 – Advanced Economic Theory: Macro**

### **SYLLABUS**

#### **Objectives**

This course is designed for majors and specialists in economics who wish to prepare for graduate work in economics and/or expand their understanding of modern macroeconomic theory. During this half course students will develop analytical skills in solving and constructing macroeconomic models. The advanced topics covered will include topics such as: theories of consumption, investment and savings, general equilibrium models, overlapping generations models, fiscal policy.

#### **Lectures and Tutorials:**

Wednesdays 6-9 in UC163

The first 2 hours will be used for Lecture and the following hour will occasionally be used for a tutorial or TA office hours. Details on when tutorials will be held will be announced in class.

#### **Office Hours:**

My office hours are **Wednesdays 4:30-5:30pm** in my office. Outside my office hours you can contact me via e-mail at [burhan.kuruscu@utoronto.ca](mailto:burhan.kuruscu@utoronto.ca), *although* at busy times you will get a prompter response if you stop by during the office hours.

#### **Teaching Assistant:** Ashanta Ranasinghe

**Email:** [a.ranasinghe@utoronto.ca](mailto:a.ranasinghe@utoronto.ca)

**Office:** GE 80

**Office Hours:** Wednesdays 8pm-9pm by **appointment**, except for the tutorial weeks. Call him at 416-844-8172 to get into the economics building since the building will be locked at that time.

#### **Textbook and Reading**

I will not follow a textbook. But I will post the following notes on blackboard that are in the process of being made a textbook.

- Notes by Dirk Krueger on Fiscal Policy (**DK**)
- Notes by Steve Williamson on Macroeconomic Theory (**SW**)

**E-mail list:** You are automatically added to the class email list if you are registered for this course. This email list will be the main way I will make announcements and communicate with the class.

**Blackboard:** Please check the blackboard frequently for course materials and announcements.

### **Course Requirements and Grading**

1. **Two midterms:** Each **30%** of the total grade. However, I will drop your lowest midterm grade and assign the maximum midterm grade as your midterm grades for both midterms.
2. **Final: 40%** of the final grade.

**Class Participation:** I strongly encourage students for participating in class. You should feel comfortable to ask any questions if you cannot follow my lectures or you do not understand something. To be able to assess whether you can follow my lectures or whether you have learned a particular topic before, I will also select students randomly and ask them questions.

**Make-up Exams:** There are **NO** make-ups for **midterms** for any reason. However, remember that I will drop the lowest midterm grade. This means that if you miss a midterm for some reason such as being sick, then the other midterm grade will be your make-up grade.

Students are required to provide supporting documentation for their excuses to be eligible for make-up work. If a student misses the final examination for medical or other unavoidable reasons, the new University policy *\*requires\** students to declare their absence on ROSI. Here is the policy:

<http://www.artsci.utoronto.ca/current/undergraduate/absence>

Students are required to provide me with printed confirmation of the Absence Declaration, in addition to any sick note.

Second, a student who misses the test must provide me with a copy of a University of Toronto Medical certificate within one week of the missed final, stating the nature of the illness and the fact that the individual was too ill to write an examination. A copy of this certificate is available from your college registrars, health services or on the following website:

<http://www.healthservice.utoronto.ca/pdfs/medcert.htm>

**Academic Integrity:** Academic integrity is an essential part of education. Students should not conduct any scholastic dishonesty that will violate academic integrity. Scholastic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, falsifying academic records, and any act designed to give unfair academic advantage to the student, or the attempt to commit such an act.

**Students with Disabilities:** I will provide necessary accommodation to students with disabilities subject to university guidelines.

**Tentative Schedule:**

- **(DK) Chapter 1: Empirical facts on government economic activity (Required reading)**
- **(DK) Chapter 2: A simple two-period model and intertemporal tradeoffs (Required reading)**
- **(DK) Chapter 3: Life cycle model**
- **(DK) Chapter 4: Dynamic Theory of Taxation**
- **(DK) Chapter 5: Social Security**
- **(DK) Chapter 6: Social Insurance**
- **(SW) Chapter 1: Representative agent general equilibrium models**
- **(SW) Chapter 2: Overlapping generations models and dynamic inefficiency**