

University of Toronto
Department of Economics
ECO208Y1—L5101
Macroeconomic Theory
2016-17
Professor Murat Alp Celik

Lectures: Monday 6:00-8:00 pm, MP 137

Tutorials: Tuesday 6:00-8:00 pm, MP 137

Instructor: Murat A. Celik, murat.celik@utoronto.ca, Office hr: Mon 3:00-5:00 pm, GE 229

TA: Cory Langlais, cory.langlais@mail.utoronto.ca, Office hr: Thu 11:00 am-1:00 pm, GE 213

Course Description: ECO208 is an intermediate-level course in macroeconomics. In this course, tools to study macroeconomic events and policies are developed using a framework that is based on micro-foundations – the dominant approach in macroeconomics since the Lucas Critique. The following topics will be covered: measurement of aggregate economic variables and business cycles, analysis of government policies, unemployment, economic growth, business cycles and monetary policy, international trade and exchange rates. While the aim is to develop the theoretical tools with which to analyze the macroeconomy, data from several countries will be used to provide examples and to broaden the understanding of the global economy.

Prerequisites: ECO100Y1; MAT133Y1/(MAT135H1, MAT136H1)/MAT137Y1/MAT157Y1.

Note that I cannot waive the prerequisites, and enrolment is handled by the department. If you need help with enrolment, you can contact the undergraduate administrators: Robbie Innes, or Jenny Fan if you are a commerce student. See the course policy of the economics department at: <https://www.economics.utoronto.ca/index.php/index/undergraduate/load/prerequisites>

Textbook: We will use “Macroeconomics” by Stephen Williamson (fourth Canadian edition). You can purchase the book at the University of Toronto Bookstore on campus.

Grading and Exam Policy: The course grade will consist of term work (65% of the final grade) and a final exam (35%). Term work will include three midterm exams and two written assignments.

The current plan is to have the midterm exams during class time or in tutorial hours, in our regular room (MP 137); but this may be subject to change later on. If there is a change, it will be announced on the course website.

While there will be three midterm exams, **only the best two of the three midterm tests will count towards the final grade.** Each of the best two tests will count for 25% of the final grade.

There will be NO make-up for midterm exams. This means that if a student fails to take two midterm exams, the grade for one of the exams will be zero – i.e. 0 for 25% of the final grade. Failing to take all three midterm exams means 0 for 50% of the final grade.

Make sure you check the important dates at the end of this document to ensure that there are no conflicts with the exam dates. You are responsible for reporting the conflict within the first two weeks of classes so that accommodations can be made.

The remaining 15% of the grade for term work will be determined by the two written assignments, which will have a weight of 7.5% each. The assignments will be submitted online, and a paper copy will be handed in at the beginning of the class on the due date. If the deadline is missed, students can submit it within 7 days, but this will result in a late penalty of 30% of the grade for the assignment. The late penalty may be waived if the student is ill and provides appropriate medical documentation.

Only the university's official "Verification of Student Illness or Injury" form signed by a medical doctor will be accepted as proof of illness for missed work or tests. The doctor must confirm that the student is too ill by the due date of an assignment or the test date. If this occurs, the student is responsible for contacting the instructor (see e-mail above) on the due date/test date. The assignment will be due for the next class following the "anticipated end date" on the form. Late submission penalties apply unchanged given this new due date.

Class participation is highly encouraged, and will count positively towards marginal adjustments to the final course grade. Class attendance is also highly encouraged, but this will not be enforced (i.e. there will be no pop-up quizzes or attendance sheets). However, it should be understood that the student bears responsibility for missing any lectures. Since the examinations will rely on the material covered during the lectures, missing too many lectures will without a doubt lead to a low performance. The TA or the instructor are not responsible to help you catch up with missed lectures; this is the student's responsibility.

Re-grading Policy: Students who want to have a midterm test or assignment re-graded must submit a re-grade form **within two weeks of receiving the grade.** This form will be made available later on the class website.

Website: Announcements and some of the course materials will be posted on Blackboard. Suggested sample problems will be assigned for the topics covered in class, but they will not be handed in or graded. On most weeks, the TA will go over some of the problems and answer questions during the tutorial hours.

Office Hours: Both I and Cory will hold office hours. See the first page for the times and locations.

Contact Policy: The preferred method of communication is in person, either with me or Cory during lecture, tutorials and office hours. If you need to contact me by e-mail, please make sure to identify yourself and use your utoronto.ca e-mail account. This is to prevent missing e-mails due to the spam filter.

Economics Study Centre: Students enrolled in the course will be able to benefit from the Economics Study Centre. This is a valuable resource that you can make use of if you are having trouble with economics courses in general, or have trouble catching up. See the Department of Economics website for further information:

<https://www.economics.utoronto.ca/index.php/index/undergraduate/load/studyCentre>

English Language Learning: ELL supports all U of T undergraduates enrolled in the Faculty of Arts and Science whose first language is not English (ESL or multilingual students), as well as native speakers seeking to improve their English language skills. Learn more at:

<http://www.artsci.utoronto.ca/current/advising/ell>

General Outline:

- 1) Introduction (W, Chapter 1)
- 2) Measurement (W, Chapter 2)
- 3) Business-Cycle Measurement (W, Chapter 3)
- 4) Consumer and Firm Behavior (W, Chapter 4)
- 5) A Closed-Economy One-Period Model (W, Chapter 5)
- 6) Unemployment (W, Chapter 6)
- 7) Economic Growth (W, Chapter 7-8)
- 8) A Two-Period Model (W, Chapter 9)
- 9) A Real Inter-temporal Model with Investment (W, Chapter 11)
- 10) A Monetary Model (W, Chapter 12)
- 11) Business cycle Models (W, Chapters 13-14)
- 12) International Trade in Goods and Assets (W, Chapter 15)
- 13) Money and Banking (W, Chapter 16-17)

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

Important Dates:

- Sep 12, 2016 – Classes begin
- Sep 20, 2016 – First tutorial
- Oct 10, 2016 – Thanksgiving holiday, no class
- Oct 24, 2016 – First midterm exam
- Nov 7-8, 2016 – Fall break, no class or tutorial
- Dec 5, 2016 – Second midterm exam
- Jan 9, 2017 – No class
- Jan 10, 2017 – Lecture instead of tutorial to make up for Jan 9.
- Feb 13, 2017 – Third midterm exam
- Feb 20-24, 2017 – No classes, tutorial or office hours.
- Mar 13, 2017 – Last day to drop course without academic penalty
- Apr 3, 2017 – Last class
- Apr 10-28, 2017 – Final exam period