

## Economics 359 (Intermediate Economic Theory: Macroeconomics II )

Instructor:	Kunio Tsuyuhara	Lecture Location:	ICT 114
Phone:	220-6101	Lecture Days/Time:	MWF 11:00-11:50
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Office:	SS 436	Tutorial Day/Time:	M 17:00-17:50
Office Hours:	F 13:00-14:00		Winter 2017

**Course Description:** This course is the second part of the intermediate macroeconomic theory sequence. After the classic treatment of macroeconomics covered in the first part (Econ 303), this course covers more modern macroeconomic analysis with so-called **micro-foundation**; modern macroeconomics is concerned with a systematic (equilibrium) interaction of the optimal decisions made by households and firms, and other economic organizations, such as government. Distinctive features of macroeconomics (359), as supposed to microeconomics (357), are that macroeconomics focuses on dynamic (inter-temporal) aspects of interaction and its “macro”economic consequences, such as aggregate production (GDP) and productivity, price and interest rate, unemployment rate, etc.

Economic theory provides the structure, or framework, for economic inquiry. For this reason, Econ 357 and 359 are the two most important courses for economics majors at the University of Calgary. Honours students will continue their inquiry at Econ 557 and 559 later on. The materials covered in these courses form a foundation of modern economic analysis and provide a strong background in more applied fields, such as industrial organization, international trade, environmental economics, etc.

Students are reminded that this course has a calculus prerequisite (Math 249/265) and calculus compatible notation will be used. In addition, the course materials assume basic (at least graphical) notion of optimization theory at the level of Econ 301. Though not required, good understanding of microeconomics at the level of Econ 357 is very useful, and we will begin with reviewing some of those materials.

**Course Objectives/Learning Outcomes:** Developing critical thinking about economic issues through modern macroeconomic theory. Students will learn how to develop a consistent argument and make informed criticism about economic debates they see in news media.

**Textbooks:** I follow the contents of the following textbook fairly closely, but reorganize the chapters as indicated below.

- Williamson, S.D. 2014. *Macroeconomics*: Fifth Canadian Edition. **(Required)**

In addition, the following non-technical review of the modern macroeconomic theory will be helpful.

- Athreya, K.B. 2015. *Big Ideas in Macroeconomics*. MIT (Recommended Reading)

Additional reading materials will be suggested and posted on the D2L throughout the course.

## Outline

1. Review of basic mathematics and microeconomics: Chapter 4~5 (1~2 weeks)
2. Saving, Investment, and Government Deficits--Chapter 8~9 (2 weeks)
3. Economic Growth--Chapter 6~7 (2 weeks)
4. Money and Business Cycle--Chapter 10~12 (1~2 weeks)
5. Money in the Open Economy--Chapter 14 (1 week)
6. Money, Inflation, and Banking--Chapter 15 (2 weeks)
7. Unemployment--Chapter 16 (1~2 weeks)

### Important Dates:

- February 10 (Fri) Midterm 1
- February 20, 22, 24 Reading week (No lectures)
- March 17 (Fri) Midterm 2

**Desire2Learn:** This course will make use of the Desire2Learn (D2L) platform. Please note that D2L features a class e-mail list that may be used to distribute course-related information. D2L sends e-mail only to your University of Calgary address.

**E-mail Policy:** To avoid confusion that is often created by email messages, I will not respond to any question sent by email regarding the course materials. Please come to the office hours for those questions.

**Tutorial:** Teaching assistant for this course will an office hour each week and occasional TA sessions during the tutorial hour. TA sessions are not required components of the course, but indispensable components nonetheless. TA will provide some useful examples of the course material and also cover answer keys to the problem sets and midterm exams. As my E-mail policy implies, TA will also not respond to your email communication regarding the course materials. In addition, TA is not responsible for your question outside of the designated tutorial time. You are advised to refrain from asking the TA regarding the course materials outside of designated occasions.

**Grade Determination and Final Examination Details:** Student performance will be evaluated through a collection of problem sets (worth 10%), two midterms (30% each), and final exam (30%). Late work will not be accepted, and there will be no make-up or deferred midterm exams. The course grade is calculated using the weights indicated above and then converted to letter grades as follows.

A+	Outstanding
A	Excellent – superior performance showing comprehensive understanding of the subject matter
B	Good – clearly above average performance with knowledge of subject matter generally complete
C	Satisfactory – basic understanding of the subject matter
D	Minimum pass – marginal performance
F	Fail

- To indicate the student progress throughout the semester, a letter grade that corresponds to the above table is provided to each component of your work (problem sets and midterms).
- A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

- Non-programmable calculators will not be allowed during the writing of tests or final examinations.
- There will be a department scheduled final examination, lasting **2 hours**.
- Tests and exams will not involve multiple-choice questions.

**Reappraisal of Grades**

For reappraisal of graded term work, see **Calendar I.2**

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For reappraisal of final grade, see **Calendar I.3**

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

A student who feels that a piece of graded term work (e.g., term paper, essay, test) has been unfairly graded, may have the work re-graded as follows. The student shall discuss the work with the instructor within 15 days of being notified about the mark or of the item's return to the class; no reappraisal of term work is permitted after the 15 days. If not satisfied, the student shall immediately take the matter to the Head of the department offering the course, who will arrange for a reassessment of the work within the next 15 days. The reappraisal of term work may cause the grade to be raised, lowered, or to remain the same. If the student is not satisfied with the decision and wishes to appeal, the student shall address a letter of appeal to the Dean of the faculty offering the course within 15 days of the unfavourable decision. In the letter, the student must clearly and fully state the decision being appealed, the grounds for appeal, and the remedies being sought, along with any special circumstances that warrant an appeal of the reappraisal. The student should include as much written documentation as possible.

**Plagiarism and Other Academic Misconduct**

Intellectual honesty is the cornerstone of the development and acquisition of knowledge and requires that the contribution of others be acknowledged. Consequently, plagiarism or cheating on any assignment is regarded as an extremely serious academic offense. Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Students should examine sections of the University Calendar that present a Statement of Intellectual honesty and definitions and penalties associated with Plagiarism/Cheating/Other Academic Misconduct,

<http://www.ucalgary.ca/pubs/calendar/current/k-2.html>

**Academic Accommodation**

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities, Visit [www.ucalgary.ca/access/](http://www.ucalgary.ca/access/).

Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at

<http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>

Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than 14 days after the start of this course.

**Absence from a Test/Exam**

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES under any circumstances, nor may the quizzes be written early. Students unable to write the quizzes because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam at

[www.ucalgary.ca/registrar/exams/deferred\\_final](http://www.ucalgary.ca/registrar/exams/deferred_final)

Under no circumstance will this be accommodated by the department.

**Important Dates**

- Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>
- Faculty of Grad Studies website: <http://grad.ucalgary.ca/home>
- Graduate Students Association: <http://gsa.ucalgary.ca/>
- Professional Development for Grad Students
- Workshops and resources can be found at <http://www.ucalgary.ca/mygradskills/>
- Economics Graduate Association: <http://econ.ucalgary.ca/ega/>

**Evacuation Assembly Point**

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The list of assembly points is found at

[www.ucalgary.ca/emergencyplan/assembypoints](http://www.ucalgary.ca/emergencyplan/assembypoints)

Please check this website and note the nearest assembly point for this course

**Safewalk**

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year.

**Call 403-220-5333**