

Economics 759(L01) (Advanced Macroeconomics Theory II)

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Lecture Location: SS 423
Lecture Days/Time: MW 09:30 - 10:45

Office: SS 440
Office Hours: MW 11:00-12:00

Winter 2017

Course Description

This is the second part of the core PhD course in macroeconomics. The course is intended to introduce some selected macroeconomic issues, as well as to demonstrate how to use analytical models and techniques to examine the issues. Both the issues and the models should be treated as important components of the course.

Course outline (subject to change)

The course is organized into two parts. The first part focuses on equilibrium models of the labor market. The second part introduces a few selected topics in macroeconomics.

- Equilibrium models of the labor market
- Topics in macroeconomics

Prerequisites/corequisites

Advanced Macroeconomics Theory I

Reading Lists:

Pissarides, C. A. (2000). *Equilibrium Unemployment Theory*. Oxford University Press (chapters 1 and 2).

Richard, R., Shimer, R. and Wright, R. (2005). Search-theoretic models of the labor market: a survey. *Journal of Economic Literature* (December), 959-988.

Hosios, A. J. (1990). On the efficiency of matching and related models of search and unemployment. *Review of Economic Studies*, 57:279–298.

Moen, E. R. (1997). Competitive search equilibrium. *Journal of Political Economy*, 105:385–411.

Shimer, R. (2005). The cyclical behavior of equilibrium unemployment and vacancies. *American Economic Review*, 95(1):25–49.

Burdett, K. Shi, S. and Wright R. (2001). Pricing and matching with frictions, *Journal of Political Economy* 109: 1060-1085.

Guerrieri, V. Shimer, R. and Wright, R. (2010). Adverse selection in competitive search equilibrium. *Econometrica*, 78(6):1823–1862

Adrian, T. Colla, P. and Shin, H. S. (2012). Which financial frictions? Parsing the evidence from the financial crisis of 2007-9. Technical report, National Bureau of Economic Research.

Diamond, D. W. and Dybvig, P. H. (1983). Bank runs, deposit insurance, and liquidity. *The Journal of Political Economy*, 91(3):401–419.

Restuccia, D., & Rogerson, R. (2008). Policy distortions and aggregate productivity with heterogeneous establishments. *Review of Economic dynamics*, 11(4), 707-720.

Hsieh, C. T., and Klenow, P. J. (2009). Misallocation and Manufacturing TFP in China and India. *The Quarterly journal of economics*, 124(4), 1403-1448.

Course Requirements/Assessments:

Student performance will be evaluated through a collection of assignments, midterm exam and final exam, with the following weights:

Assignments: 20%

Two midterm exams: 25% each

Final exam: 30%

Desire2Learn This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

| Grade | Grade Point Value | Description | Grade | Grade Point Value | Description |
|-------|-------------------|---|-------|-------------------|---|
| A+ | 4.00 | Outstanding | C+ | 2.30 | All grades below "B-" are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. Individual programs may require a higher passing grade. |
| A | 4.00 | Excellent-superior performance, showing-comprehensive understanding of subject matter | C | 2.00 | |
| A- | 3.70 | Very good performance | C- | 1.70 | |

| | | | | | | |
|----|------|--|--|----|------|--|
| B+ | 3.30 | Good performance | | D+ | 1.00 | |
| B | 3.00 | Satisfactory performance | | D | 1.00 | |
| B- | 2.70 | Minimum pass for students in the Faculty of Graduate Studies | | F | 0 | |

Grading Scale

| | | | | | |
|----|----------|----|---------|----|---------|
| A+ | 95 – 100 | B | 73 – 76 | C- | 60 – 62 |
| A | 85 – 94 | B- | 70 – 72 | D+ | 56 – 59 |
| A- | 80 – 84 | C+ | 67 – 69 | D | 50 – 55 |
| B+ | 77 – 79 | C | 63 – 66 | F | 0 – 49 |

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

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/.

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 Department, they need to arrange for a deferred exam with the department.

Important Dates

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

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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/assemblypoints

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 403-220-533