

Economics 359 (L01) Intermediate Economic Theory-Macroeconomics II

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Lecture Location: ENE 243
Lecture Days/Time: MWF 11:00 - 11:50

Office: SS 346
Office Hours: MW 13:00 - 14:00

Fall 2023

Course Description:

This is the second of the two intermediate-level macro theory courses (the first being Econ 303) required to major in Economics. It introduces the complete microeconomic foundations (utility maximization, profit maximization, and market clearing) to develop dynamic equilibrium macroeconomic models of economic growth and business cycles (the real business cycle and new Keynesian models).

Course Learning Outcomes:

After completing this course, students will be able to

- study the representative consumer's intertemporal consumption-savings and consumption-leisure decisions and the firm's intertemporal labour demand and investment decisions,
- build dynamic equilibrium macroeconomic theories of aggregate outcomes (the real business cycle and new Keynesian models),
- study the role played by shocks and by fiscal and monetary policy in modern dynamic equilibrium macroeconomic theory,
- analyze how banks and market imperfections (e.g., search frictions and asymmetric information) affect the macroeconomy, and
- extend the dynamic equilibrium macroeconomic framework to incorporate international trade and finance.

Course Outline:

This course covers the following topics. (Note: Some topics may be added or removed depending on time constraints)

1. Static Macroeconomic Theory [Williamson 6Ce, 2021, Chapters 4 and 5]
 - a. The representative consumer's consumption-labour decision
 - b. The representative firm's labour demand decision
 - c. General equilibrium in the one-period macroeconomic model
2. Intertemporal Macroeconomic Theory [Williamson 6Ce, 2021, Chapters 9 and 11]
 - a. Dynamic consumption-savings framework
 - b. The representative firm's investment decision
 - c. General equilibrium in the two-period macroeconomic model

3. Intertemporal Monetary and Fiscal Policy [Williamson 6Ce, 2021, Chapters 12 and 13]
 - a. Fiscal policy in the intertemporal framework
 - b. Monetary policy in the intertemporal framework
4. Market Imperfections and the Role of Banks [Williamson 6Ce, 2021, Chapters 10 and 18]
 - a. Credit frictions, financial crises, and social security
 - b. Financial intermediation and banking
5. Open Economy Modern Macroeconomics [Williamson 6Ce, 2021, Chapters 15 and 16]
 - a. International trade in goods and assets
 - b. Money in the open economy

Prerequisites/Corequisites:

Economics 301 and 303.

Required Textbook(s):

Williamson, S.D., 2021. *Macroeconomics*, Sixth Canadian Edition. Pearson Canada Inc, North York.

Required Access to Technology:

None.

Books on Reserve:

Barro, R.J., and Serletis, A., 2010. *Macroeconomics: A Modern Approach*, First Canadian Edition. Nelson.

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.

Tutorials:

Students are expected to attend the weekly tutorial section to which they have been assigned. During the tutorials, the TA will discuss pre-assigned questions and additional material relevant to the course that is not covered in lectures.

Grade Determination:

3 Assignments (Due Date: Oct 6, Nov 10, Dec 6) (Best 2 Counted) - 5% each	10%
2 Midterm Exams (Oct 13 and Nov 20) - 20% each	40%
Final Examination (TBA)	50%
	100%

Examination Details:

Tests and exams WILL NOT involve multiple choice questions.

Programmable calculators, cellphones, textbooks, course notes, and other electronic devices will not be allowed during the writing of the midterms and final examinations. Students are reminded that simply being able to access their cellphone during an exam is academic misconduct.

The two midterm exams will be held in-class during class time on **Friday Oct 13** and **Monday Nov 20**.

Grading Policies:

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

Students must receive a passing grade on the final exam to pass the course. Students committing academic misconduct during the final exam will not receive a passing grade for the course.

If a student's letter grade on the final exam exceeds their midterm(s) letter grade, the weight of the midterm(s) is (are) transferred to the final exam. The student must have written the midterm(s) or provided supporting documentation for the absence(s).

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. See <https://www.ucalgary.ca/pubs/calendar/current/e-2.html>.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams 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.

The final examination will be comprehensive, scheduled by the Registrar, held in a classroom, and last 2 hours. 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 <https://www.ucalgary.ca/pubs/calendar/current/g-3-4.html>. Under no circumstance will this be accommodated by the Department.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during the instructor's office hours.

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>

Academic Misconduct and Intellectual Honesty:

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Statement of Intellectual Honesty, see Calendar K.3

<https://www.ucalgary.ca/pubs/calendar/current/k-3.html>

Plagiarism and Other Academic Misconduct

<https://ucalgary.ca/student-services/student-success/learning/academic-integrity>

Academic Accommodations:

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. 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

<https://www.ucalgary.ca/legalservices/sites/default/files/teams/1/Policies-Accommodation-for-Students-with-Disabilities-Procedure.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Student-Accommodation-Policy.pdf>.

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see

<https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-faculty-members.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-students.pdf>

Internet and Electronic Communication Device Information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note taking only unless otherwise authorized by the instructor.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Acceptable-Use-of-Material-Protected-by-Copyright-Policy.pdf>. Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Recording of Lectures:

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

Instructor Intellectual Property:

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

Important Dates:

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

Student Organizations:

Faculty of Arts Students' Association (F.A.S.A.):
Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: www.fasaucalgary.ca.

Society of Undergraduates in Economics: <https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at sue@ucalgarysue.com

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580, or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Tower.

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

Notes:

1. Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.
2. Please note that the following types of emails will receive no response: Emails which do not list the relevant course; emails which are not signed with student's full name and UCID; and emails involving questions that are specifically addressed on the course outline, lecture slides, or posted on D2L.

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2023-08-01