

REVISED March 27, 2020

## Economics 359 (L02) Intermediate Economic Theory-Macroeconomics II

Instructor: Aamir Rafique Hashmi  
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Lecture Location: ENE239  
Lecture Days/Time: TR 1530-1645

Office: SS342  
Office Hours: TR 1100-1200

Winter 2020

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### Course Description:

This is the second of the two intermediate-level macro theory courses (the first being ECON 303) required to major in Economics. This course introduces some basic models of long-term economic growth and builds a two-period macroeconomic model based on microeconomic foundations.

### Course Learning Outcomes:

After completing this course, students will know

- the leading theoretical models of economic growth (Malthusian, Solow, Endogenous, etc.)
- how to build a micro-founded two-period intertemporal model with consumption-saving, labor demand-supply and investment decisions
- how to apply the two-period model to study issues related to budget deficits, government debt and Ricardian Equivalence, etc.
- how to apply the two-period model to study business cycles
- how to extend the two-period model to an open economy and how its conclusions differ from those of the Mundell-Fleming model

### Course Outline:

1. A Malthusian Model of Economic Growth (Chapter 7)
2. Solow Growth Model (Chapter 7)
3. An Endogenous Growth Model (Chapter 8)
4. Consumption-Saving Decision in a Two-period Micro-based Macro Model (Chapter 9)
5. Credit-Market Imperfections, Applications of the Two-Period Model (Chapter 10)
6. The Two-period Model with Investment: Part I (Chapter 11)
7. The Two-period Model with Investment: Part II (Chapter 11)
8. The Two-period Model with Money (Chapter 12)
9. Open-economy Macroeconomics (Chapters 16 and 17)

### Prerequisites/corequisites:

ECON 303 and one of MATH 249, 251, 265 or 281

### Required Textbook(s):

Williamson, Stephen D. 2018. Macroeconomics, Fifth Canadian Edition. Don Mills: Pearson Canada Inc.

**Books on Reserve:**

Williamson, Stephen D. 2018. Macroeconomics, Fifth Canadian Edition. Don Mills: Pearson Canada Inc.

**Additional Required Readings:**

These readings will be provided by the instructor on D2L.

1. Malthus, Thomas. 1798. "An Essay on the Principle of Population." Electronic Scholarly Publishing Project, chapter 1.
2. Ip, Greg. 2017. "Hard Line on Immigration Threatens Growth." The Wall Street Journal, Eastern Edition, New York, N.Y., 23 February 2017, A.2.
3. Glaeser, Edward. 2019. "Investing In the Brain." The Wall Street Journal, Eastern Edition, New York, N.Y., 9 May 2019, A.13.
4. Wikipedia. 2019. "Macroeconomic Model."
5. Wikipedia. 2019. "Ricardian Equivalence."
6. Blinder, Alan S. 2019. "Tax Cuts for the Wealthy Make Inequality Worse." The Wall Street Journal, Eastern Edition, New York, N.Y., 1 November 2019, A.15.
7. Ip, Greg. 2019. "As Tariffs Bite, Get Ready for a Supply Shock." The Wall Street Journal, Eastern Edition, New York, N.Y., 6 June 2019, A.2.
8. Wikipedia. 2019. "Economics of Bitcoin."
9. The Economist. 2019. "The Euro at 20." January 5th, pp. 15--17.

**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 and Final Examination Details:**

1. In-class quizzes (using Top Hat or D2L):	10%
2. Tutorial participation:	5%
3. Readings:	5%
4. Midterm 1:	20%
5. Midterm 2:	20%
6. Final:	40%
<b>Total:</b>	<b>100%</b>

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

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

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) such as a medical note or statutory declaration.

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](https://www.ucalgary.ca/pubs/calendar/current/e-2.html).

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.

The final examination will be an open-book, take-home exam. The exam will be available on D2L 24 hours before the end of the Registrar's scheduled final exam time. Students will hand in their exam in pdf format on D2L prior to the end of the scheduled completion time of their final exam using DropBox. If a student cannot write their final exam during this interval, 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.

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

The exact date for the in-class midterm will be announced at least one week in advance.

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.

**Reappraisal of Grades and Intellectual Honesty:**

*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>

*Statement of Intellectual Honesty, see Calendar K.4*  
<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

*Plagiarism and Other Academic Misconduct, see Calendar K.5*  
<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

**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 <http://www.ucalgary.ca/policies/files/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 <http://www.ucalgary.ca/legalservices/files/legalservices/faq-students.pdf> and [http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty\\_0.pdf](http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty_0.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 [www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright.pdf](http://www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright.pdf). Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

**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](mailto:econrep@fasaucalgary.ca) and Web: [www.fasaucalgary.ca](http://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 [societyofundergradsineconomics@gmail.com](mailto:societyofundergradsineconomics@gmail.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](mailto: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 Library Block.

**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.

Aamir Rafique Hashmi

November 23<sup>rd</sup> 2019