

Economics 559 (L01) (Topics in Economic Theory II)

Instructor: Aamir Rafique Hashmi
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Lecture Location: EDC 264
Lecture Days/Time: MWF 13:00 – 13:50

Office: Zoom Delivery
Office Hours: TR 11:00 – 12:00

Winter 2022

Course Description:

This is a course in macroeconomic theory for honors economics students. Its main purpose is to provide students with the methodological principles that underlie modern analyses of the macro economy, and to prepare students for graduate level macroeconomic theory courses. Students will learn the different classes of macroeconomic models. The course will also discuss issues such as the role of government and the stabilization of economic activity over the business cycle. Students will develop critical thinking skills about economic issues through modern macroeconomic theory. Students will also practice their communication skills through oral presentations and term projects.

Course Learning Outcomes:

Students who successfully complete this course will:

- a. understand the principles of dynamic general equilibrium theory; be able to analyze dynamic decisions and trade-offs such as consumption and saving decisions.
- b. know and understand various macroeconomic theories of economic growth; be able to apply the theories to explain growth difference between country and between regions; be able to explain the impacts of different policies on the growth of an economy.
- c. be able to explain the Ricardian neutrality of fiscal policy and its implication on the taxation system; be able to describe the social security system and its role in the capital accumulation of the economy.
- d. know and understand the role of central bank in the Canadian economy; be able to explain how the Bank of Canada conduct monetary policy and its challenges and limitations.
- e. be able to list stylized facts of the business cycle; be able to use a simple Real business cycle model to explain and compare the effects of various shocks on the short-run fluctuation of the economy
- f. be able to explain key variables regarding the labour market and list key facts about the Canadian labour market over the last three decades; understand the basic labour search model
- g. be able to identify important research questions that are related to macroeconomic issues, be able to conduct a literature review and summarize contracting research finding; be able to collect data, evidence, and special cases for research analyses
- h. conduct research analyses using either quantitative methods, modelling technics or case-study to address research questions, be able to collect and summarize research findings
- i. develop written and oral communication skills through term paper and in-class presentation requirements, develop team-working skills by finding team patterner, managing team meeting and working with team members

Course Outline:

1. A quick review of Solow model and Ramsey-Cass-Koopman's model (chapters 1 and 2)
2. The Overlapping-Generations model (chapter 2)
3. Endogenous-Growth models (chapter 3)
4. Real-Business-Cycle theory (chapter 5)
5. Nominal Rigidity (chapter 6)
6. Dynamic Stochastic General Equilibrium models of fluctuations (chapter 7)

Prerequisites/corequisites:

ECON359, ECON389 and ECON395

Required Textbook(s):

Romer, David. 2019. Advanced Macroeconomics, 5th edition. New York: McGraw-Hill Education.

Additional Required Readings:

These readings will be provided by the instructor on D2L.

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:

1. Assignments:	10%
2. Readings:	10%
3. Project:	15%
4. Midterm 1:	15%
5. Midterm 2:	15%
6. Final:	35%
Total:	100%

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

A passing grade on any component of the course is not required for a student to pass 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 at the discretion of the instructor. 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>.

Course material dealing with a particular assignment will typically be covered in class at least three days before the assignment is due; thus, assignments can be completed at any time up to and including the due date. Given these factors, only situations where someone can document illness or domestic affliction for an extended period (i.e., the entire three days prior to the due date) would possibly warrant shifting the assignment weight to the final exam. Furthermore, technical problems can be

expected to occur with computer systems (and internet availability) so it may be a good idea to not wait until the last minute to submit your assignment.

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 following highlighted text was added on 22-Jan-2022.

Midterm 1 will be done online. It will be available on D2L at the beginning of class on 14-Feb-2022 (Monday) at 1:00 PM, and will be available for 24 hours. When you access the midterm, you will have 75 minutes to complete it and upload your answers to the D2L dropbox. I will provide more information by email closer to the date of the exam. If you experience an issue that affects your ability to complete the assessment, which can include (but is not limited to) issues with technology, caregiving responsibilities, or distractions within your test-taking environment, you will need to contact your instructor as soon as possible to arrange an alternate or (in the case of technical issues) extended time to write the assessment.

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-6.html>. Under no circumstance will this be accommodated by the Department.

Tests and exams WILL NOT involve multiple choice questions and / or fill-in-blank questions.

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:

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:

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.

Student committing academic misconduct during the final exam will not receive a passing grade for the course.

For information on the Student Academic Misconduct Policy, Procedure and Academic Integrity, please visit: <https://www.ucalgary.ca/pubs/calendar/current/k-3.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

<https://www.ucalgary.ca/legal-services/university-policies-procedures/accommodation-students-disabilities-procedure>

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/access-information-privacy>

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/university-policies-procedures/acceptable-use-material-protected-copyright-policy> Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

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.

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>.

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
E-mail: econrep@fasaucalgary.ca
Website: 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.

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 the material was covered in class.

Aamir Rafique Hashmi
Revised on January 22, 2022