



Economics 659(L01) (Macroeconomic Theory)

Instructor:	Trevor Tombe	Lecture Location:	SS 423
Phone:	403-220-8068	Lecture Days/Time:	TR 09:00-10:15
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Office Hours:	TR 10:30-12:00		WINTER 2017

**Textbook(s):** There will be no required textbooks, though an excellent resource that will nicely supplement course material: Daron Acemoglu (2009), *Introduction to Modern Economic Growth*. Princeton University Press.

**Book(s) on Reserve:** None

**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. The default is your University of Calgary e-mail address.

**Course Outline:** We will cover the following topics (time permitting). The associated readings are indicated in italics under each topic. Readings from Acemoglu (2008) are suggested, as lecture notes will be comprehensive and sufficient, while readings from the Reading List are required and available online through the library.

- **Week 1:** The Financial Crisis and the Policy Response
  - a. Overview of the Crisis, its Macroeconomic Effects, and the Policy Response
  - b. Empirical Estimates of Fiscal Policy
    - *Ramey (2011a, 2011b)*
    - *Romer and Romer (2010)*
  
- **Weeks 2-3:** The Solow Model
  - a. Economic Growth and Development (Acemoglu, Chapter 1)
  - b. The Solow Growth Model: Theory (Acemoglu, Chapter 2)
  - c. The Solow Growth Model: Data (Acemoglu, Chapter 3-4)
    - *Deaton and Heston (2010)*
    - *Johnson et al. (2013)*
    - *Feenstra et al. (2009)*
  
- **Weeks 4-6:** Neoclassical Growth
  - a. Infinite-Horizon Optimization and Dynamic Programming (Acemoglu, Chapter 6)
  - b. The Neoclassical Growth Model: Theory and Application (Acemoglu, Chapter 8)
  
- **Weeks 7-11:** The Micro of Macro
  - a. Firm-Level Idiosyncratic Shock and Distortions
    - *Gabaix (2011)*

- *Jones (2011)*
  - b. Diversification and Economic Volatility
    - *Carvalho and Gabaix (2013)*
  - c. Misallocation and Productivity
    - *Hsieh and Klenow (2009)*
- **Weeks 12-13:** Search Models of the Labour Market

#### **Grade Determination and Final Examination Details:**

Problem Sets: 20% (4 x 5%)

Midterm Examination 2: 25%

Midterm Examination 1: 25%

Final Examination: 30%

#### **The importance dates are as follows (subject to change):**

- Problem Set 1: January 26
- Problem Set 2: February 9
- Midterm 1: February 14
- Problem Set 3: March 9
- Midterm 2: March 16
- Problem Set 4: April 6
- Final Exam: TBA

Students who are unable to write either midterm because of an illness, family emergency or religious observance will have the midterm weight shifted to the final examination. Documentation **MUST** be provided.

Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades. The course grade is then calculated using the weights indicated above.

As a guide, these letter grade equivalences will apply:

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. Non-programmable calculators will be allowed during the writing of tests or final examinations. There will be a final examination, at a date to be determined during the December examination period. The exam will last 2 hours. Tests and exams will not involve multiple choice questions.

Economics professors use the following criteria when assigning letter grades:

Grade	GPA	Description	Grade	GPA	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	

### 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, or 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 unfavorable 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 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>

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](http://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 403-220-5333**