

Economics 359 (L01) Intermediate Economics Theory-Macroeconomics II

Instructor:	Kunio Tsuyuhara	Lecture Location:	ST 147
Phone:	403-220-6101	Lecture Days/Time:	TR 11:00-12:15
Email:	kunio.tsuyuhara@ucalgary.ca	Tutorial Location:	ENE 238
		Tutorial Day/Time:	T 8:30-9:20
Office:	SS 436		
Office Hours:	WF 12:00–13:00 or by appointment	Winter 2023	

Course Description:

This course is the second part of the intermediate macroeconomic theory sequence offered at the Department of Economics. The short-run models used in the first part (Econ 303) represent macroeconomics without microeconomic foundations (the type of macroeconomics mostly used in the policy world). Econ 359 is based on the microeconomic principles of intertemporal utility maximization, profit maximization, and market clearing, and develops dynamic equilibrium macroeconomic models. Modern intertemporal macroeconomics taught in Econ 359 can provide more comprehensive analyses of macroeconomic fluctuations, consistent with macroeconomics content taught at higher level courses and used in academic research. The issues we can address include:

- Interaction between the markets through the optimal decision making of the household and the firm and market clearing mechanism within and across time.
- Intertemporal fiscal policy (government spending, public services, taxes, public debt and budget deficits, and social security)
- Monetary policy and business cycles, the neutrality of money and interest rates
- how market imperfections (search frictions and asymmetric information) affect the macroeconomy
- The role of banks in the economy and how bank instability matters for macroeconomic outcomes.
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Course Learning Outcomes:

After completing the course, students should, at minimum, be able to:

1. build a simple macro model with a micro foundation,
2. analyse how a shock to the economy propagates in the economy through the optimal decision making of the household and the firm and market clearing mechanism within and across time, and
3. analyze the pros and cons of the policy interventions.

In addition, it is also very important to have critical perspectives on economics as an educated citizen, especially when it comes to policy discussion. To this end, we will learn both strengths and weaknesses of modern macroeconomics throughout the course, and the students are expected to develop critical thinking about economic issues through the lens of modern macroeconomic theory. Therefore, after successfully completing this course, students will:

4. be able to investigate macroeconomic theory from both practical and philosophical perspectives,
5. not blindly believe what policy makers, mass media, and even “expert” economists tell them,
6. but instead, be able to make their own critical judgement.

Course Outline:**Core Topics:**

1. Economic Growth – Chapters 7-8 (2 weeks)
2. A Closed-Economy One-Period Macroeconomic Model – Chapters 4-5 (3 weeks)
3. A Closed-Economy Two-Period Model (with Investment) – Chapters 9-11 (3 weeks)
4. A Monetary Intertemporal Model and Business Cycles – Chapters 12 (2 weeks)

Applied Topics: (We will cover as much as we can, if not everything.)

5. International Macroeconomics – Chapters 15-16
6. Financial Intermediation and Banking – Chapters 18
7. Unemployment – Chapter 6

Prerequisites/corequisites:

Economics 301 and 303.

Required Textbook:

We follow the contents of the following textbook closely (albeit in different order):

- Williamson, S.D. 2021. *Macroeconomics*: Sixth **Canadian** Edition. **(Required)**

Any other editions (either international or Canadian ones) must be used **at your own risk** as there are slight/significant differences among them. (You do not need the MyLab edition for this section.)

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:

Final grades will be evaluated based on class participation (10%), a collection of assignments (total 15%), one writing assignment (10%), two midterms (15% each), and a final exam (35%).

Furthermore, read the following important details regarding the exams and grading policies carefully.

- Class and tutorial attendance is mandatory and will be checked randomly throughout the semester.
- This course will emphasize class participation. Active engagement in the class discussion will not only be counted toward your final grade but also enhance your learning experience and hence exam performance as a result.
- The assignments are problem-solving type questions, and those are usually given approximately in every 2~3 weeks.
- The writing assignment will ask you to write a one-page critique of an economics news article based on what you learn in this course (details to be discussed in class).
- This course will expect the students to have an academic writing experience and be able to write at a decent university level. Therefore, 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. <https://www.ucalgary.ca/pubs/calendar/current/e-2.html>.

- All assignments must be submitted to a designated Dropbox folder on the class D2L. Late submission or email submission of your work **WILL NOT** be accepted under any circumstances.
- The midterms and final exams will test both your mastery of the mathematical and technical aspects of theory and the expression of economic intuition and critical analysis.

To indicate the student progress throughout the semester, a letter grade that corresponds to the official grading system is provided to each component of your work (assignments and midterms). The final course grade is calculated by applying the weights indicated above to the grade point equivalent of each course component. The weighted average is then converted to a final letter grade according to the official grading system. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

Examination Details and Grading Policies:

- Tests and exams **WILL NOT** involve multiple choice questions.
- 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).
- 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 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.
- 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.
- 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 midterm dates are **February 7 (Tue)** and **March 14 (Tue)**.

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.4 <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 policies on Student Accommodations are available at:

<https://www.ucalgary.ca/legal-services/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 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>.

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