



Department of Economics Course Outline

		Term:	Fall 2014
Course:	Economics 659 [Macroeconomic Theory]	Section:	01
Time:	TR 08:00 – 09:15	Place:	SA 121
Instructor:	T. Tombe		
Office:	SS 426	Telephone:	403 220 8068
Office Hours:	TR 10:00 – 11:00	E-mail:	ttombe@ucalgary.ca

Textbook(s): There will be no required textbooks. If desired, students can use the following excellent resource that will nicely supplement course material: Acemoglu, D. 2008. *Introduction to Modern Economic Growth*. Princeton.

Another good review source is: Romer, D. 2012. *Advanced Macroeconomics*. McGraw-Hill Ryerson.

Book(s) on Reserve: None

Course Outline:

We will cover the following topics (time permitting), ordered by week. 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.

1. The Financial Crisis and the Policy Response
 - a. Overview of the Crisis and its Macroeconomic Effects
 - b. Fiscal Policy Response
 - *Ramey (2011a)*
 - *Ramey (2011b)*
 - *Romer and Romer (2010)*
 - c. Monetary Policy Response
 - *Bernanke and Reinhart (2004)*
2. Economic Growth and Development
 - *Acemoglu (2008), CH1*
3. The Solow Growth Model: Theory
 - *Acemoglu (2008), CH2*
4. The Solow Growth Model: Data

- *Acemoglu (2008), CH3 and CH4*
- 5. The Devil in the Details: Cross-Country Measurement and Comparison
 - a. Calculating PPP-Adjusted GDP
 - *International Comparison Program, The World Bank*
 - *Deaton and Heston (2010)*
 - *Deaton and Dupriez (2011)*
 - *Feenstra et al. (2009)*
 - b. Available Data (Pros and Cons)
 - *Johnson et al. (2013)*
 - c. Alternative Measurements
 - *Henderson et al. (2012)*
 - *Young (2012)*
- 6. Infinite-Horizon Optimization and Dynamic Programming
 - *Acemoglu (2008), CH6*
- 7. The Neoclassical Growth Model: Theory and Application
 - *Acemoglu (2008), CH8*
 - b. PhD Student MATLAB Assignment (Value- and Policy-Functions)
- 8. Structural Change and Economic Growth
 - *Acemoglu (2008), CH20*
- 9. International Trade
 - a. The Eaton-Kortum Model: A Framework for Analysis
 - *Eaton and Kortum (2001)*
 - *Eaton and Kortum (2002)*
 - b. Empirical Estimates of the Gains from Trade
 - *Frankel and Romer (1999)*
 - *Feyrer (2009a, 2009b)*
- 10. Firm-Level Idiosyncratic Shock and Distortions
 - a. Distortions and Aggregate Productivity
 - *Restuccia and Rogerson (2008)*
 - *Hsieh and Klenow (2009)*
 - b. Idiosyncratic Shocks and the Business Cycle
 - *Gabaix (2011)*

Grade Determination and Final Examination Details:

Student performance will be evaluated differently for MA and PhD Students as follows:

MA Students

Problem Sets: 15% (3 x 5%)
 Midterm Examination 1: 25%
 Midterm Examination 2: 25%
 Final Examination: 30%
 Participation: 5%

PhD Students

Problem Sets: 15% (3 x 5%)
 MATLAB Assignment: 15%
 Midterm Examination 1: 20%
 Midterm Examination 2: 20%
 Final Examination: 30%

The importance dates are:

- Problem Set 1: September 23
- Problem Set 2: October 14
- Midterm 1: October 16
- Problem Set 3: November 18
- Midterm 2: November 20
- PhD MATLAB Assignment: November 27
- 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.

The MATLAB Assignment will be to numerically solve and explore counterfactuals within a standard growth model.

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 to determining standing, 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

Non-programmable calculators **will** be allowed during the writing of tests or final examinations (they will not be helpful anyway).

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>. Please note that D2L features a class e-mail list that may be used to distribute course-related information. It is your responsibility to ensure that D2L uses the e-mail address of your choice. The default is your University of Calgary e-mail address.

General Information:

- *Online writing resources are available at <http://ucalgary.ca/ssc/writing-support/online-writing-resources>*
- *It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. 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 fourteen (14) days after the start of this course.*
- *Students seeking reappraisal of a piece of graded term work should discuss their work with the instructor within fifteen days of work being returned to class. However, the earliest that grades will be discussed will be two days after the return of an assignment or examination.*

Safewalk / Campus Security: 220-5333

Emergency Assembly Point: Professional Faculties Food Court

Alternative Assembly Point: Education Block Food Court

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