

Huron University College
Advanced Macroeconomics
Economics 3320a

Desmond McKeon
Office: A2c
Office Hours Wed and Friday 11:00 -12:00
Phone: 661-2111 ext.85303
Email dmckeon@uwo.ca

Fall 2008

Course description.

This is a course in macroeconomic theory at the advanced undergraduate level. It is intended to act as a bridge between the macroeconomics at the intermediate level and a more advanced treatment typical in graduate level courses.

Macroeconomics at this level is not practiced in the synthesized manner that is prevalent in intermediate courses. In this course our task will be to survey current material and to gain a sense of where macroeconomic theory is going.

In general, macroeconomics branches in two directions. On the one hand it concerns itself with long term economic growth, and on the other hand it is concerned with short and medium term fluctuations in output and employment. The mathematical requirements for the course are a sound understanding of elementary calculus. However, we will *sketch out* the techniques of dynamic programming when needed.

The course is divided into three parts.

Part one begins with an examination of growth using the standard neoclassical model.

Part two introduces an overlapping generations model and then proceeds with real business cycle theory, consumption, investment and employment.

Part three will introduce monetary policy and its implementation followed by a discussion of fiscal finance.

Prerequisite Checking:

Students are responsible for ensuring that they have successfully completed all course prerequisites. Unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Text and materials.

Because of the nature of macroeconomics at the post-intermediate level, no one integrated text is offered. However, we will use a text as a **general reference** for the material. This approach will be different than that taken in the intermediate courses, where textbooks are followed quite closely.

I will use material from the following textbooks, however much of the material we will cover will be contained in articles, notes and exercises that will be posted on WEBCT.

The textbook by Romer will serve as a guide and a summary, but we will use material from other sources as well.

Romer's book is available in the bookstore.

* Romer David, *Advanced Macroeconomics 3rd edition*, McGraw Hill (2006).

Andolfatto David, *Macroeconomic theory and Policy*, Simon Fraser (2006).

Jones Charles, *Introduction to Economic Growth*, Norton (2002)

Sorensen Peter and Hans Whitta- Jacobsen, *Introducing Advanced Macroeconomics: Growth and Business Cycles*, McGraw Hill (2005).

Wickens Michael, *Macroeconomic Theory*, Princeton University Press (2008).

Williamson Stephen, *Macroeconomics*, 2nd Canadian Edition, Addison Wesley (2007).

Attendance

Attendance at **lectures is required** and part (but not all) of your participation mark is based on attendance. I do not hand out lecture notes for missed classes.

Course requirements.

There will be two exams: one midterm and a final. In addition, there will be one assignment. The assignment consists of selecting, summarizing and reporting on a journal article. The rationale for the assignment is to provide experience in reading professional/academic articles in macroeconomics. This is a skill that is essential for graduate study or for a professional career.

The assignment consists of two parts. The first part is a written submission containing a summary of the article, explaining its salient points. The second part consists of presenting the summarized version in a seminar.

You may opt to do the assignment in a team. Your choice of article must come from a mainstream professional journal or from a handbook or other source of collected works.

Also, your choice of article must be approved by the instructor. **Failure to get approval will result in the article not being accepted.**

The weighting for the course is as follows:

Midterm	25 %
Assignment	25%
Presentation/participation	10%
Final Exam	40%

Midterm Date Friday October 17

Presentations..... Begin the week of November 24

Final Exam..... Date will be set by the registrar's office

Course outline.

The following is a tentative list and likely will change as the class progresses. All chapter references are from the Romer text; however each topic will be supplemented with additional material in class.

Introduction to Dynamic General Equilibriumclass notes

Neoclassical Growth Theory	Chapters 1, 2 *
Neoclassical Extensions	Chapter 3*
New Growth theory	Chapter 3*
Real Business Cycle Theory	Chapter 4*
Consumption	Chapter 7*
Investment	Chapter 8*
Employment	Chapter 9*
Money and Monetary policy	Chapter 10*
Fiscal Finance	Chapter 11 *

* Additional material will be covered in class, some of which will be posted on WEBCT.

PLEASE NOTE.

THIS IS A TENTATIVE OUTLINE **ADDITONS AND/OR DELETION OF MATERIAL MAY OCCUR AS THE COURSE PROGRESSES. IT IS INCUMBENT ON ALL PARTICIPENTS TO KEEP INFORMED OF ANY CHANGES.**

Please note – there are no makeups given for missed class tests for any reason whatsoever.

To receive accommodation for a missed test the student must contact the Academic Counsellor's office.

If proper procedures have been followed and relief for missed classes has been granted by the Academic Counsellor's office then the marks for the missed test will

be reallocated with the final exam for that semester carrying a higher weight than otherwise.

To repeat: You must obtain accommodation for missed tests from the Academic Counsellor's office. A written memo from the Academic Counsellor is then to be presented to the instructor. The instructor will not arbitrarily grant accommodation for missed tests.

Medical Absences

For work representing 10% or more of the overall grade for the course, a student must present documentation indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities. Huron students should take their medical documentation to the Academic Counsellor, Academic Services Centre at Huron University College, together with a Request for Relief specifying the nature of the accommodation requested. Documentation for non-Huron students must be submitted as soon as possible to the student's Faculty Dean's office. The request and documentation will be assessed and appropriate accommodation will be determined by the Dean's office in consultation with the instructor(s.) Academic accommodation will be granted **ONLY** where the documentation indicates that the onset, duration and severity of the illness are such that the student could not reasonably be expected to complete his/her academic responsibilities.

The UWO Student Medical Certificate (SMC)

(https://studentservices.uwo.ca/secure/medical_document.pdf) and Request for Relief

(<http://www.huronuc.ca/pdf/AcademicCounsellingRequestforReliefFormMar08.pdf>) are available at the Student Centre Website

(<https://studentservices.uwo.ca/secure/index.cfm>), the Huron University College Academic Counselling website

(http://www.huronuc.ca/faculty_arts_social_science/academic_counselling/) or from the Academic Services Centre at Huron.

Attendance

All class participants are required to attend class and comport themselves in a civil manner to all other members of the class. This includes not carrying on **personal conversations** during class time or **leaving before the class is ended**. When you leave a class that is in progress you are in effect insulting your colleagues and this will not be tolerated in any form.

For the official regulation regarding attendance please refer to senate regulation **S.04-097 section 2 in the section on attendance regulations for examinations.**

<http://www.uwo.ca/univsec/handbook/exam/attendance.pdf>

Attendance may be taken at anytime during classes.

Drop Dates for the 2008-09 Academic Year

Wednesday, October 15, 2008

First-term half-courses

Technology

It is not appropriate to use technology (such as, but not limited, to laptops, PDAs, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence,**
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.**

Plagiarism: Students must write their essays and assignments in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence. Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:

<http://www.uwo.ca/univsec/handbook/appeals/scholoff.pdf> .

Plagiarism is an academic offence and will be treated as such. Students who are in doubt as to the nature of this offence should consult their instructor, Department Chair or the Dean, as well as the *Huron University College Statement on Plagiarism*, available at the reference desk in the HUC Library and at

<http://www.huronuc.on.ca/pdf/FASSonPlagiarism.pdf>. In addition, students may seek guidance from a variety of current style manuals available at the Reference Desk in the HUC Library Information about these resources can be found at:

http://www.huronuc.ca/library/research_guides_and_handouts/.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as

source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Students in the Department of Management and Organizational Studies requiring academic counselling concerning courses and modules should see Dr. P. Fulton , the Chair of the Department.

Other academic services such as academic counselling, community-based learning, career development, writing services, cross-cultural services, international opportunities are available through the Academic Services Centre: West Wing, Huron University College, and http://huronuc.ca/faculty_arts_social_science/academic_counselling/.