Course Details

Time: Tuesday and Thursday, 10:00-11:20
Location: remote delivery
Course Description: A survey of macro-economic theory, and includes theories of the consumption function, theories of investment, money and interest rates, monetary and fiscal policy, and general equilibrium theory.
Required Textbook: See below.
Website: Some materials will be available on Blackboard.

Expected Learning Outcomes

This course introduces the main concepts needed to understand and model national economies. Upon successful completion, students will be familiar with theories of household and firm behaviour as well as the role and constraints of macroeconomic policy; they will be able to construct and apply dynamic general equilibrium models to determine economic outcomes in the short and the long run; and they will understand the functioning and the role of labour markets, capital markets, and money.

Instructor

Andreas Pollak  E-mail: a.pollak@usask.ca (preface subject with “ECON801”)
Office Hours: not this term - please contact me by e-mail

About the Course and Remote Delivery

Things will be different this term. The course will be delivered remotely, via video conferencing, during the usual class times. Details will be posted before classes start for us, which will be mid September, after you have finished ECON 805.

Regarding your assessment, there will be several homework assignments, a midterm exam and a final. The current plan is to write the midterm in a synchronous fashion and then decide on the format for the final. This could be a synchronous exam, a take-home exam, or a combination of the two.

If you have any questions, please contact me. If you want details of the course delivery clarified, I'll try to do that. But remember that there's still some uncertainty about how and how well everything will work this term. That's why I'm keeping some parts of the plan a little vague at this point. We will figure out the details together, later.

I'll set up forums on Blackboard for this course this term, to make it easier for you to communicate remotely. Again, details will be posted at the beginning of the term.
Required Textbook:

Other relevant books:

These books may serve as an additional reference for certain chapters. They are available in the library.

I assume that students have a solid background in macroeconomics consistent with a four-year undergraduate degree. If you think that you might need to refresh your background, please contact the instructor to discuss possible readings.

Tentative Course Outline and Readings

1. Introduction
   - **W, Chapter 1.1-1.3**
   - W, Chapter 17.2, 17.5-17.6

2. Dynamic General Equilibrium
   - **W, Chapters 2.1-2.6, 4.1-4.4, 4.6-4.10**
   - OR, Chapters 1, 2

3. Asset Pricing
   - **W, Chapter 11**
   - OR, Chapter 5

4. Fiscal Policy and Debt
   - **W, Chapter 5 (pp. 90-121)**
   - OR, Chapter 3

5. The Open Economy
   - **W, Chapter 7.1-7.2, 7.6-7.7**
   - OR, Chapters 1, 2

Optional topics:

6. Economic Growth
   - W, Chapter 3

7. Unemployment and Job Search
   - Pissarides, Chapter 1.1-1.5
   - W, Chapter 10
8. Money, Prices and Inflation
   W, Chapter 8.1-8.6, 8.10-8.13
   OR, Chapter 8

9. Money and Informational Frictions
   OR, Chapter 8

10. Money, Sticky Prices, and Monetary Policy
    W, Chapters 9,14
    37(4), pages 1661-1707, December.
    to 5.
    Walsh, C.E.: Monetary Theory and Policy, 3rd edition, MIT Press, 2010, Chapters 6, 7 and 8

Required readings for each topic are printed in **bold** font.
Please note that this is a tentative list of topics, and that both the course outline and the list of
readings may be updated during the term. We will likely cover topics 1-5. Time permitting, we
may also cover one or some of the optional topics 6-10.

| Evaluation |
|------------------|---------------------|--------|
| Component | Date | Weight |
| Assignments | TBA | 25% |
| Midterm Exam | October 29 | 25% |
| Final Exam | TBA | 50% |

The weight of the midterm will be shifted to the final if this results in a better overall grade.

**Assignments:**
There will be several assignments, covering all major topics of the course. If you receive help from any source (book, another person, website) you must cite it on your assignment. Failure to cite could be construed as academic dishonesty. You will have at least one week to complete each assignment. While you are encouraged to cooperate solving the assignments, I expect the answers that are handed in to reflect students’ individual contributions. Late assignments will not be accepted. The assignment with the lowest mark will not be used in the calculation of your overall grade. Some answer keys may be posted on PAWS, and the assignments will be discussed in class.
Exams: There will be an 80-minute midterm exam and a final. Exams will be cumulative and test your understanding of the subject material and your ability to analyse and formulate solutions to specific problems. The assignments are intended to assist you in the preparation for the exams, but note that exam questions are typically different from assignment questions. The midterm exam will be closed book. The format of the final will be determined later.

Missed Components: If assignments or the midterm exam cannot be completed for a justifiable reason, it may be possible to make alternative arrangements prior to the due date at the instructor’s discretion. If no such arrangements are made and the component is missed, a grade of 0 will be assigned, unless the student provides written documentation of circumstances beyond his or her control that prevented him or her from completing the assignment on time. (This documentation typically takes the form of a doctor’s note.)

Attendance: University policies apply. Regular participation is recommended.

Grading System: See http://www.usask.ca/programs/colleges-schools/grad-studies/ for a description of the percentage grading system used in this course.

Grade Distribution: See https://homepage.usask.ca/~anp328/?teaching for the historic grade distribution for this course.

Academic Integrity

Please note that academic dishonesty is subject to severe penalty at the University of Saskatchewan. Any form of conduct not in line with the general standards of academic integrity, including cheating and plagiarism, will not be tolerated.

This course will conform to the academic requirements and standards, including Academic Misconduct (http://www.usask.ca/secretariat/student-conduct-appeals/academic-misconduct.php) and the rules of Student Appeals in Academic Matters (http://www.usask.ca/secretariat/student-conduct-appeals/appeals-in-academic-matters.php).

Please read the “Integrity defined” document available at http://www.usask.ca/secretariat/student-conduct-appeals/forms/IntegrityDefined.pdf