



UNIVERSITY OF  
SASKATCHEWAN

Department of Economics

## ECON 801.3 (01) MACROECONOMIC THEORY

T1: 2025/26

### Course Details

<b>Time:</b>	Tuesday and Thursday, 13:00-14:22 The first class will be on September 11.
<b>Location:</b>	Education 3101
<b>Course Description:</b>	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.
<b>Website:</b>	Some materials will be available on Canvas.

### 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      Phone: 966-5221  
Arts 812              E-mail: a.pollak@usask.ca (preface subject with "ECON801")  
**Office Hours:**              Tuesday, 14:40-15:10, Wednesday 13:30-14:30 or by appointment

### Textbooks

#### Required Textbook:

Michael Wickens: *Macroeconomic Theory. A Dynamic General Equilibrium Approach*, second edition, Princeton University Press, Princeton and Woodstock, 2011. [referred to as **W**]

#### Other relevant books:

Maurice Obstfeld and Kenneth Rogoff: *Foundations of International Macroeconomics*, MIT Press, Cambridge (MA) and London, 1996. [referred to as **OR**]

Christopher Pissarides: *Equilibrium Unemployment Theory*, MIT Press, Cambridge (MA) and London, 2000.

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
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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**  
**N. Gregory Mankiw; David Romer; David N. Weil (1992): "A Contribution to the Empirics of Economic Growth," *The Quarterly Journal of Economics*, Vol. 107, No. 2. (May, 1992), pp. 407-437.**
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, Sticky Prices, and Monetary Policy  
**W, Chapters 9,14**  
**Richard Clarida & Jordi Gali & Mark Gertler, 1999: "The Science of Monetary Policy: A New Keynesian Perspective," *Journal of Economic Literature*, American Economic Association, vol. 37(4), pages 1661-1707, December.**  
Jordi Galí: *Monetary Policy, Inflation, and the Business Cycle*, Princeton University Press, 2008, Chapters 3 to 5.  
Walsh, C.E.: *Monetary Theory and Policy*, 3<sup>rd</sup> 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, as well as at least one of the optional topics 6-9.

Evaluation
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There will be three components to your grade:

Component	Date	Weight
Assignments	TBA	15%
Midterm Exam	October 30	20%
Final Exam	TBA	65%

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. Some answer keys may be posted on Canvas, and the assignments will be discussed in class.

**Exams:**

There will be an 80-minute midterm exam and a 180-minute 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 exams are closed book. No electronic devices will be permitted during the exams, with the exception of simple calculators.

**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 attendance is highly recommended. There are no specific attendance requirements.

**Participation:**

There are no specific participation requirements.

**Grading and Credit:**

This course uses a percentage grading scheme. To receive credit for this course, an overall passing grade is required.

**Grade Distribution:**

See <http://usask.pollak.org/?teaching> for the historic grade distribution in this course.

## Other Information

### *Recording of the Course*

Students will be allowed to record lectures if they provide a reasonable rationale and if there are no objections by other students.

*Midterm and Final Examination Scheduling* Final examinations may be scheduled at any time during the examination period (see <https://students.usask.ca/academic-calendar/> for the specific dates this term); students should therefore avoid making prior travel, employment, or other commitments for this period. If a student is unable to write an exam through no fault of his or her own for medical or other valid reasons, documentation must be provided and an opportunity to write the missed exam may be given. Students are encouraged to review all examination policies and procedures: <http://students.usask.ca/academics/exams.php>

### *Copyright*

Course materials are provided to you based on your registration in a class, and anything created by your professors and instructors is their intellectual property and cannot be shared without written permission. If materials are designated as open education resources (with a creative commons license) you can share and/or use in alignment with the CC license. This includes exams, PowerPoint/PDF slides and other course notes. Additionally, other copyright-protected materials created by textbook publishers and authors may be provided to you based on license terms and educational exceptions in the Canadian Copyright Act (see <http://laws-lois.justice.gc.ca/eng/acts/C-42/index.html>).

Before you copy or distribute others' copyright-protected materials, please ensure that your use of the materials is covered under the University's Fair Dealing Copyright Guidelines available at <https://library.usask.ca/copyright/general-information/fair-dealing-guidelines.php>. For example, posting others' copyright-protected materials on the open web is not covered under the University's Fair Dealing Copyright Guidelines, and doing so requires permission from the copyright holder. For more information about copyright, please visit <https://library.usask.ca/copyright/index.php> where there is information for students available at <https://library.usask.ca/copyright/students/rights.php>, or contact the University's Copyright Coordinator at [copyright.coordinator@usask.ca](mailto:copyright.coordinator@usask.ca) or 306-966-8817.

### *Integrity*

The University of Saskatchewan is committed to the highest standards of academic integrity. <https://academic-integrity.usask.ca/>

Students are urged to read the Regulations on Academic Misconduct and to avoid any behaviours that could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence.

For help developing the skills for meeting academic integrity expectations, see: <https://academic-integrity.usask.ca/students.php>

Students are encouraged to ask their instructors for clarification on academic integrity requirements.

### *Examinations with Access and Equity Services (AES)*

Access and Equity Services (AES) is available to provide support to students who require accommodations due to disability, family status, and religious observances.

Students who have disabilities (learning, medical, physical, or mental health) are strongly encouraged to register with Access and Equity Services (AES) if they have not already done so. Students who suspect they may have disabilities should contact AES for advice and referrals at any time. Those students who are registered with AES with mental health disabilities and who anticipate that they may have responses to certain course materials or topics, should discuss course content with their instructors prior to course add / drop dates.

Students who require accommodations for pregnancy or substantial parental/family duties should contact AES to discuss their situations and potentially register with that office.

Students who require accommodations due to religious practices that prohibit the writing of exams on religious holidays should contact AES to self-declare and determine which accommodations are appropriate. In general, students who are unable to write an exam due to a religious conflict do not register with AES but instead submit an exam conflict form through their PAWS account to arrange accommodations.

Any student registered with AES, as well as those who require accommodations on religious grounds, may request alternative arrangements for mid-term and final examinations by submitting a request to AES by the stated deadlines. Instructors shall provide the examinations for students who are being accommodated by the deadlines established by AES.

For more information or advice, visit <https://students.usask.ca/health/centres/access-equity-services.php>, or contact AES at 306-966-7273 (Voice/TTY 1-306-966-7276) or email [aes@usask.ca](mailto:aes@usask.ca).

### *Student Supports*

Academic Help - University Library

Visit the University Library (<https://library.usask.ca/>) and Learning Hub (<https://library.usask.ca/studentlearning/>) to find supports for undergraduate and graduate students with first-year experience, study skills, learning strategies, research, writing, math and statistics. Students can attend workshops (<https://library.usask.ca/studentlearning/#Eventsandworkshop>), access online resources and research guides (<https://libguides.usask.ca/>), book 1-1 appointments (<https://libcal.usask.ca/appointments>) or hire a subject tutor (<https://usask.tutorocean.com/search?page=1&sortBy=bestMatch&subjectTutorsForHire=true>) through the USask Tutoring Network (<https://library.usask.ca/studentlearning/tutor.php>)

Connect with library staff through the AskUs (<https://library.usask.ca/askus/index.php>) chat service or visit various library locations (<https://library.usask.ca/hours.php>) on campus.

Enrolled in an online course? Explore the Online Learning Readiness Tutorial ([https://libguides.usask.ca/Online\\_Learning\\_Readiness\\_Tutorial](https://libguides.usask.ca/Online_Learning_Readiness_Tutorial))

### *Financial Support*

Any student who faces challenges securing their food or housing and believes this may affect their performance in the course is urged to contact Student Central (<https://students.usask.ca/student-central.php>).

#### Aboriginal Students' Centre

The Aboriginal Students' Centre (ASC) is dedicated to supporting Aboriginal student academic and personal success. The centre offers personal, social, cultural and some academic supports to Métis, First Nations, and Inuit students. The centre is also dedicated to intercultural education, bringing Aboriginal and non-Aboriginal students together to learn from, with and about one another in a respectful, inclusive and safe environment. Students are encouraged to visit the ASC's Facebook page (<https://www.facebook.com/aboriginalstudentscentre/>) to learn more.

#### International Student and Study Abroad Centre

The International Student and Study Abroad Centre (ISSAC) supports student success and facilitates international education experiences at USask and abroad. ISSAC is here to assist all international undergraduate, graduate, exchange and English as a Second Language students in their transition to the University of Saskatchewan and to life in Canada. ISSAC offers advising and support on matters that affect international students and their families and on matters related to studying abroad as University of Saskatchewan students. Please visit [students.usask.ca](http://students.usask.ca) for more information.