

University of Waterloo
Department of Economics
ECON 402-001, Spring 2012
Macroeconomic Theory 3
Course Outline

Professor: Kate Rybczynski
Office: 242 Hagey Hall
Hours: Tuesday, Thursday 10:30-12noon, or by appointment
e-mail: k rybczyn at uwaterloo.ca
web page: <http://www.arts.uwaterloo.ca/~krybczyn/402/>
Lectures: 1:00-2:20pm **B2 350**, Tues & Thurs

Course Description:

This course introduces students to advanced macroeconomic tools used for analysis of economic dynamics. Emphasis is placed on the individual decision making that underlies aggregate behaviour in a dynamic framework. The models developed in this course are used to analyze economic growth, unemployment, inflation, consumption and savings. Empirical techniques used to test the predictions of the models are discussed.

A high level of mathematical and quantitative analysis is required in this course. Students weak in math are advised to brush up on calculus, linear algebra and statistics PRIOR to the start of the term.

Course Materials:

The text book for this course is Advanced Macroeconomics, 4th Edition, by David Roemer. Although the 4th edition is at the bookstore, if you wish to purchase the 2nd or 3rd edition used, it covers the core material almost as well. The 2nd Edition text is on reserve at Dana Porter Library.

On Line: Lecture notes, Announcements, Study Questions and Assignments.

Course Requirements and Grading Scheme:

Assignments (4)	5%, 10%, 10%, and 5%	Due May 17, June 14, July 5, and 24
Mid-term Exam	30%	Thursday, June 21, in class
Final Exam	40%	

The Rules for ECON 402:

Assignments must be submitted No Later than 11:59pm in the 402 assignment drop box (outside HH210) on the due date. Any missed or late assignments will have their weight automatically transferred to the final exam. You may work together, but you must submit individual assignments and acknowledge all help.

If you miss the mid-term, the weight of this test will automatically go to your final exam. No make-up will be held. If you do better on the final than on the mid-term, the weight is automatically shifted to your final exam.

A student who misses the Final Exam may submit a request to write a make-up (deferred) exam. The make-up exam will be substantially different than that written by the rest of the class. Note that writing a deferred final exam is a privilege not a right. Students applying to write a make-up are required to fill out a "request for a deferred final examination" for **EACH** missed exam. A copy of the deferred exam request form, along with departmental guidelines, is available on-line at <http://www.economics.uwaterloo.ca/DeferredExams.html>. The completed form and all necessary documentation must be submitted to the Economics Department Undergraduate Program Assistant (HH 214) within 3 business days of the scheduled exam. Electronic submissions are not acceptable. **DO NOT** submit the form to me, but **DO** inform me (via e-mail) that you are submitting the request. You will be notified at your U.W. e-mail whether or not your request is granted. Any student who fails to write the deferred exam will automatically receive a grade of zero on that exam.

Topics:

I. Introduction

- common questions and models
- basic tools and methods

II. Growth (chapters 1, 3 & 2)

- representative agent
- overlapping generations (OLG)
- endogenous growth
- convergence

III. Business Cycles (chapter 4)

- basic facts
- real business cycle (RBC) theory
- endogenous business cycles

IV. Unemployment & Labour (chapter 9)

- efficiency wage
- search & matching

Announcements and additional reading suggestions will be posted on the course web page. Students are advised to check this and the announcements page frequently.

Your Rights and Responsibilities:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

Academic Integrity website (Arts): http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Office (University): <http://uwaterloo.ca/academicintegrity/>

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>

Accommodation for Students with Disabilities: Note for students with disabilities: The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Cross-listed course: Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric