

University of Waterloo
Department of Economics
ECON 402-001
Macroeconomic Theory 3
Spring 2016
11:30am-12:50pm Monday & Wednesday, AL 211

Instructor: Kate Rybczynski

Office: 242 Hagey Hall

Office Hours: 1:00-2:30 pm Monday, Wednesday, or by appointment

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(This web page is password protected, if you are unable to attend the first class, e-mail me for the password)

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 Romer.

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 slides, Announcements, Study Questions

Topics:

I. Introduction

- common questions and models
- basic tools and methods

II. Growth (chapters 1, 4, 3 & 2)

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

III. Business Cycles (chapter 5)

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

IV. Unemployment & Labour (chapter 10)

- 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.

Course Requirements and Assessment:

Term Tests	10%, 25% and 25%	June 1, June 22, and July 13, in class
Final Exam	40%	TBA

The Rules for ECON 402:

If you miss a term test, the weight of this test will automatically go to your final exam provided you have written the other term-tests. No make-up will be held. If you do better on the final than on the term tests, the weight is automatically shifted to your final exam, so it is in your best interest to write the tests.

A student who misses the final exam should read the following policy on missed exams

<https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>. A student who misses the final exam may request to write a make-up (deferred) exam. The deferred exam will be substantially different than that written by the rest of the class. Students applying to write a make-up are required to submit a [Deferred Final Examination Request form \(PDF\)](#) and attach supporting documentation (i.e. [Verification of Illness form](#) and Quest unofficial transcript) for **EACH** missed exam. 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.

Accommodation for Students with Disabilities

Note for students with disabilities: The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (1401), 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 AS office at the beginning of each academic term.

Academic Integrity

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. See the [UWaterloo Academic Integrity](#) webpage and the [Arts Academic Integrity](#) webpage for more information.

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 offences and types of penalties, students should refer to [Policy 71 – Student Discipline](#). For typical penalties, check [Guidelines for the Assessment of Penalties](#).

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](#). When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

Appeals: A decision made or penalty imposed under [Policy 70, Student Petitions and Grievances](#) (other than a petition) or [Policy 71, Student Discipline](#) may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72, Student Appeals](#).

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.