

University of Waterloo
Department of Economics

Syllabus
Economics 408
Macroeconomics
Fall 2022

Instructor: Matthew Doyle
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Meetings: This class meets on Mondays and Wednesdays from 10:00-11:20am in AL 208.
Office Hours: Mondays and Wednesdays from 12:30-2pm, in HH 132.

Course description:

This course examines the issue of economic fluctuations. It begins with a discussion of some of the measurement issues that arise when we try to understand what is happening in the aggregate economy in the short run. This leads naturally into a discussion of the empirical regularities that motivate much of modern business cycle research.

From there, the course will pivot towards a discussion of the leading potential explanations of economic fluctuations. We will begin with a brief discussion of some of the history behind economists' thinking about business cycles before turning to a discussion of some of the most prominent current theories.

Tentative Outline of Topics:

Sept 7th: Introductory class

Sept. 12th and 14th: Business cycle facts

Sept. 19th: Some history of thought

Sept. 21st and 26th: Real business cycle theory, part 1

Sept 28th and Oct. 3rd: Real business cycle theory, part 2

Oct. 5th: Overflow class

Reading Week (no class on Oct 10th or 12th)

Oct. 17th: **Midterm 1**

Oct. 19th and 24th: New Keynesian business cycle theory, part 1
Oct. 26th and 31st: New Keynesian business cycle theory part 2
Nov. 2nd and 7th: Coordination failures
Nov 9th, 14th, and 16th: Banking and financial crises
Nov. 21st: Overflow class

Nov. 23rd: **Midterm 2**

Nov. 28th, 30th, and Dec. 5th: Business cycle policy

Dec. 16th: Term paper due

Delivery:

This class will be taught in person. While I will be posting lecture notes, these are intended as a complement to, and not a substitute for, the in-class discussions. The class is expressly *not* designed to be followed remotely. Consequently, you should not take this class unless you are available to come to class regularly.

Textbook:

Since there is no textbook that closely fits the structure of this course, there will be no required textbook for the class. Instead, the main reference for this class will be the class notes that I will post on Learn.

If you would like a textbook reference, I recommend:

Romer, David. Advanced Macroeconomics.

Any edition will work, but be aware that this book is pitched at a slightly higher mathematical level than the course as a whole, though it does cover most of the topics for the class.

For a textbook pitched at a level a bit below Econ 408, I recommend:

Williamson, Stephen. Macroeconomics.

Again, any edition will work. This book has chapters on some of the topics we will cover in Econ 408. It is also a good reference book if you need to catch up with some of the foundational models from Econ 306.

Grading:

Assignments: 20%

Midterm 1: 30%

Midterm 2: 30%

Term paper: 20%

1. Written assignments:

I will assign readings for each topic. You will be expected to submit questions/comments about each of the readings prior to the in-class discussions via the dropbox on Learn. The due dates, and associated topics, are posted below—these due dates may be pushed back if needed but will not be moved forward.

Assignment due dates:

Sept. 19th: Assignment 1

Sept. 26th: Assignment 2

Oct. 20th: Assignment 3

Oct. 24th: Assignment 4

Oct. 31st: Assignment 5

Nov 7th: Assignment 6

The Learn Dropbox is scheduled to close at 11 pm on each due date. Ideally, you should prepare to submit your assignment prior to the closing of the Dropbox.

Note: These assignments are not substitutes for tests and are not intended to evaluate how well you understand the material. Instead, I will use them i) to provide an incentive for you to keep up with the course readings, and ii) to help shape the in-class discussion of each topic. For each assignment you are asked to list any technical/mathematical and conceptual questions you have about the material. Each assignment will be graded on the extent to which it demonstrates that you have read and thought about the assignment content in sufficient detail to have constructive comments and/or questions about it.

2. Midterms:

The midterms will be written tests and will take place in the regular classroom at the regular class times. The first midterm will take place on Monday, October 17th and the second midterm will take place on Monday, November 14th.

3. Term paper:

For the term paper, you will be expected to summarize the academic literature on a historical episode relating to business cycles. I will provide a list of acceptable topics. If you would prefer to write about an episode that is not on the list you have to clear your topic with me.

The term paper is due, via the dropbox on Learn, on Dec. 16th at 11pm. Late submissions will receive a penalty of 10% per day (or fraction thereof) that the paper is late.

Policy on Missed Exams and Assignments:

1. Written assignments:

Since I need the assignments to structure class discussion, I will not accept late assignment submissions. In terms of grading, I will drop the lowest assignment and calculate your grade as the average of the remaining assignments. This will be done automatically. That means that you do not have to submit medical documentation or self-declare an illness if you miss one assignment. If you miss two assignments, you must supply documentation for each missed assignment in order to not receive a grade of zero on the missed assignments. In this case, your grade will be calculated as the average of the remaining assignments.

Note that completion of the assignments prior to the in-class discussion is a central component of the course design. If it turns out that you are unable to complete 3 or more of the assignments, the appropriate accommodation will be to take a grade of WD in the course and to re-take it in another semester when you will be better able to complete the course work.

2. Midterms:

A student who misses a midterm due influenza-like illness shall submit an Illness Self-declaration. Students can find the Illness Self-declaration form in the Personal Information section of Quest. A doctor's note for accommodation is not required. Students should email me to inform me they have submitted their Illness Self-declaration.

A student who misses the midterm due to other extenuating circumstances (such as an illness other than influenza) should seek approval from me to write a make-up midterm. To obtain approval, a student must provide appropriate documentation such as the University's Verification of Illness Form completed by their physician.

The accommodation for a missed midterm will be a deferred exam. The deferred exam will take place in person on the last day of the final exam period and will cover all topics covered on the missed midterm(s).

Contingency Plans

1. In the event of a *short-term cancellation* of in person classes, the structure of the course will not change. We will simply convert the in-person classes to virtual classes. In the event that a short-term cancellation of classes covers one of the midterm dates, the relevant midterm will be rescheduled to the *second* class period after in person meetings resume.

2. In the event of a *long-term cancellation* of classes, the structure of the course will necessarily change. First, rather than attempting to replicate in class discussions online, I will substitute in class meetings with pre-recorded video lectures. Any remaining midterm exams will be cancelled (since in person exams will no longer be possible). Furthermore, any remaining reading assignments will be converted into traditional assignments (i.e. where I ask questions about the material and you submit written answers). This will necessitate a change in the due dates. I will post new due dates, but these will typically be 7 days after the end of each topic.

Note that the cancellation of in person midterms and shift from reading to traditional assignment will require a re-weighting of the grading scheme. This will occur as follows: the weight for any completed midterms will remain the same, and the weight on any completed reading assignments will be proportional to the number that have been completed. The weight on any cancelled midterms and uncompleted reading assignments will be transferred to the new assignments.

For students who miss a midterm prior to a long-term cancellation of classes, the weight from the missed midterm will be applied equally to the remaining (traditional) assignments.

Note that, since it is to be submitted remotely, the final project will be unaffected by a long-term cancellation of classes.

Statements and links to be included on all course outlines:

Academic integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. [Check [the Office of Academic Integrity](#) for more information.]

Grievance: A student who believes that a decision affecting some aspect of their 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.

Discipline: A student is expected to know what constitutes academic integrity to avoid committing an academic offence, and to take responsibility for their actions. [Check [the Office of Academic Integrity](#) for more information.] 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 instructor, academic advisor, or the undergraduate associate dean. 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](#).

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 they have a ground for an appeal should refer to [Policy 72, Student Appeals](#).

Note for students with disabilities: [AccessAbility Services](#), located in Needles Hall, Room 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 AccessAbility Services at the beginning of each academic term.