

**University of Waterloo**  
**Department of Economics**

**Syllabus**  
Economics 408  
Macroeconomics  
Fall 2021

**Instructor:** Matthew Doyle  
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**Meetings:** This class meets on Tuesday and Thursday from 2:30-3:50 am in RCH 110.

**Office Hours:** Tuesdays: 10:30am-Noon, HH 235  
Thursdays: 12:30-2pm, HH 235

Because the university has imposed capacity constraints on both the room and the building, you must sign up in order to attend in person office hours. The sign up sheet will be available via Learn.

**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. The course will conclude with a discussion of two important recent events related to the business cycle: the recession that followed the financial crisis of 2008, and the current recession related to the Covid pandemic.

**Delivery:**

This class will be taught in person. The class is not designed to be followed remotely. As a result, you should not take this class unless you are available to come to campus regularly.

If in-person classes must be cancelled due to Covid, classes will be held (synchronously) on-line during the regularly scheduled class times. I will distribute WebEx links for any online classes via Learn.

If either, or both, of the midterm exams cannot be held in person, a take home version of the exam will be distributed via Learn platform. The exam will be distributed at the beginning of the scheduled class time on the original midterm date and will be due 24 hours later.

### **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: 40%

Midterm 1: 20%

Midterm 2: 20%

Term paper: 20%

### **Assessments and due dates:**

#### 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. I will post due

dates on Learn (typically, the due dates will be 11pm on the Sunday for a topic that we will discuss in the Tuesday class).

These assignments 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 will be 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. I will provide additional details in class.

I anticipate that there will be 8 written assignments throughout the semester. I will drop the lowest assignment and calculate your grade as the average of the remaining assignments.

Written assignments are to be handed in via the Dropbox on Learn. In the case that you are forced to self-isolate due to Covid, you can still complete the written assignments.

## 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 Tuesday, Oct. 19<sup>th</sup>. The second midterm will take place on Tuesday, Nov. 16<sup>th</sup>.

## 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. 14<sup>th</sup> 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.

As mentioned in the previous section, I will drop your worst assignment when calculating your assignment grades. You do not have to submit medical documentation or self-declare an illness if you miss one assignment. If you miss multiple assignments, you must supply documentation for each missed assignment in order to not receive a grade of zero on the missed assignments.

Note that completed the assignments prior to the in-class discussion is a central component of the course. If you are unable to complete a sufficient fraction of the assignments, it may well be that the appropriate accommodation is to re-take the course in another semester.

## 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).

## **Tentative Outline of Topics:**

Sept 9<sup>th</sup>: Introductory class  
Sept. 14<sup>th</sup> and 16<sup>th</sup>: Business cycle facts  
Sept. 21<sup>st</sup>: Some history of thought  
Sept. 23<sup>rd</sup> and 28<sup>th</sup>: Real business cycle theory, part 1  
Sept 30<sup>th</sup> and Oct. 5<sup>th</sup>: Real business cycle theory, part 2  
Oct. 7<sup>th</sup>: Money in business cycle models

## Reading Week

Oct. 19<sup>th</sup>: **Midterm 1**  
Oct. 21<sup>st</sup> and 26<sup>th</sup>: New Keynesian business cycle theory, part 1  
Oct. 28<sup>th</sup> and Nov. 2<sup>nd</sup>: New Keynesian business cycle theory part 2  
Nov. 4<sup>th</sup> and 9<sup>th</sup>: Coordination failures  
Nov 11<sup>th</sup>: End of Coordination failures/Introduction to financial crises

Nov. 16<sup>th</sup>: **Midterm 2**  
Nov. 18<sup>th</sup> and 23<sup>rd</sup>: Financial crises  
Nov. 25<sup>th</sup> and 30<sup>th</sup>: The "Great Recession"  
Dec. 2<sup>nd</sup> and 7<sup>th</sup>: The Covid recession

Dec. 14<sup>th</sup>: Term paper due

## 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.