Economics 330 D1 Section 2
Macroeconomic Theory

Credits: 3
Method: Two lectures per week / Remote delivery through recordings + Discussion
Meeting Times and Location: Mon/Wed 2:35-3:55pm
Professor: Markus Poschke
E-mail: markus.poschke@mcgill.ca
Office hours: Mon 1.30-3.30pm (Join via the link in MyCourses)
These one-on-one office hours, which use the waiting room feature of Zoom, are for issues not related to the course content. Course-content related questions will be addressed in the weekly Zoom session.

Teaching Assistants:

Teaching Assistant	Email	Conference / Office hours	Recurring Zoom Link
Olivier Gagnon	Olivier.gagnon5@mail.mcgill.ca	Tue, 1-3pm	https://mcgill.zoom.us/j/7860351359
Yu Shi	Yu.shi5@mail.mcgill.ca	Mon, 4-6pm	in person in Leacock 14
Fan Yang	Fan.yang11@mail.mcgill.ca	Fri, 8-10am	https://mcgill.zoom.us/j/84911379473

ECON 330D is a two-term course in macroeconomics. 330D1 is the first term of 330D and is a pre-requisite for 330D2, the second term of 330D. No credit will be given for ECON 330D unless both ECON 330D1 and ECON 330D2 are successfully completed in consecutive terms.

Learning Objectives: This course is centered on basic concepts in macroeconomics. During this term, we will review the measurement of economic aggregates, and we will present a basic model of economic growth and the building blocks for a complete model of the business cycle. Econ 330 D2, in the Winter term, will use these building blocks and elaborate on them for an analysis of business cycles and macroeconomic policy.

Prerequisites: An understanding of basic microeconomics is essential. This course is designed for a student that has successfully completed ECON 230 or ECON 250. If a student has already taken ECON 208 and ECON 209, this course may be taken concurrently with ECON 230 with permission of the instructor. This will be enforced after the first week of classes and students without the necessary pre-requisites will be automatically removed. In terms of mathematics, I will use algebra freely and calculus very sparingly and only if necessary. The use of calculus, therefore, should definitely not worry you. But realize the kind of reasoning that we will use throughout the course follows mathematical logic and is often more challenging than simply using calculus. This type of reasoning is one of the more important learning objectives of the course.

Textbook: Macroeconomics by Stephen D. Williamson, last Canadian edition (Pearson). According to the bookstore, for the last edition (6th edition), only the digital version is available. If you have an older edition of this book, feel free to use it. But you are responsible to know the discrepancies between editions. I do not know these. In the first term, we will follow a set of lecture notes by Prof. Alvarez-Cuadrado, which I will make available to you. I believe the second term will follow the book.

Course delivery: The structure of a standard week for the course will be as follows. On the previous Friday I will post recordings for the material of the two following lectures (for instance on Friday Sept 10 I will post recordings for Measurement 2 and 3). Students will need to review these recordings before the following Wednesday. On Wednesday we will have a Zoom meeting during class time to discuss questions related to these recordings. Aside from questions asked "live" in the Zoom meeting, I will set up an open access document with the headings of the corresponding two lectures that students can use to annotate their questions before the meeting, so that the sequence of questions follows roughly the sequence of contents.

In some weeks, before exams, we will have an additional Zoom meeting to go over questions on the exam material.

Grading policy: This is the first term of a two-term course (both terms should be taken in order to receive credit) and this term accounts for 50% of the grade of the full year course. This 50% is allocated according to the following rule:

1. **Problem sets (5%)**
2. **Exam I (10%). Monday, September 27.** Take-home 24 hours available from Mon. Sept. 27 at noon until Tue. Sept. 28 at noon.
3. **Exam II (10%). Monday, November 8.** Take-home 24 hours available from Mon. Nov. 8 at noon until Tue. Nov. 9 at noon.
4. **Final Exam (25%).** In-person centrally administered exam. Date to be determined.

This weighting cannot be changed. You can only miss an exam if you have a medical reason (doctor's note required, to be sent to me within two days of the missed exam). In case of missing an exam for medical reasons, its weight will be transferred to the final exam to be administered during the exam period in December.

Problem sets will be made available through Mycourses. You will need to upload your answers as a single pdf document to Mycourses, in the Assignments section. While I strongly encourage you to work on the problem sets in groups, each student in a group needs to upload their own solution. Note that it is possible that some of the material a problem set draws on may be covered in class after its release (but before its due date).

The first two exams will be made available through Mycourses. You can download them as a pdf and, although the exam is designed to take around 1.5 hours, you have 24 hours to complete it and upload your answers into Mycourses in the Assignments section. These exams will be take-home following the open-book format. That means that during the exam you will be allowed to consult lecture notes, lecture recordings and the book. However, you are not allowed to communicate with any other people about any aspect of the exam. In case of any technical problem, get in touch with me or the TA only.

The final exam will be a standard three-hour in-person exam taking place in Montreal during the exam period in December. In this exam, you will not have access to any of the course material. This exam is comprehensive, including all the material covered in this first term.

A supplemental examination for those eligible will take place in August 2022, after 330D2 is completed. It will cover material from 330D1 and 330D2. Both courses will be equally weighted in the supplemental. This exam will account for 100% of the supplemental course grade. There will be no supplemental exam for the Fall semester material alone.

Finally, students enrolled in this section of 330D1 cannot take the exam in any other section of 330D1.

Regrading policy: If you believe that there is a mistake in grading your exam, you must provide the TA with a written appeal which clearly points out the mistake(s) you believe were made. This appeal should be emailed to the TA to get a record of the date of the appeal. Unless there is an obvious typo, we will regrade the entire exam. (As a result, your grade could change in either direction, and you could end up with a lower grade). If after the regrade you are still convinced that there is a mistake, you have to provide me with a second written appeal, which clearly points out the mistake(s) you believe were made, and a copy of the content of the first appeal. Finally, you have to ensure that the appeals are done in a timely manner. Your first appeal has to take place during the first seven (7) days following the date when the exam was officially handed back.

McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/integrity for further information).

According to Senate regulations, instructors are not permitted to make special arrangements for final exams. Please consult the calendar, section 4.7.2.1, General University Information and Regulations, at www.mcgill.ca .

In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.

All slides, video recordings, lecture notes, etc. remain the instructor's intellectual property. As such, you may use these only for purposes of your own learning (and research, with proper referencing/citation). You are not permitted to disseminate or share these materials; doing so may violate the instructor's intellectual property rights and could be cause for disciplinary action.

By enrolling in a remote course, you accept that fixed sessions will be recorded. You must consent to being recorded if you attend a lecture or participate in a component of a course that is being recorded. You will be notified through a "pop-up" box in Zoom if a lecture or portion of a class is being recorded. If you are not comfortable being in a class that is recorded, you may decide to not take part by logging off Zoom. Students who log off will be able to later watch the video recording in MyCourses.

For pedagogical reasons and for the enrichment of the experience of all students, attendance may be monitored and/or active participation may be expected or required during fixed (synchronous) class time. As such, you may be asked to turn on your camera and audio. If you do not have the necessary resources (e.g., adequate Internet bandwidth or equipment) to do so, inform your instructor at the beginning of term so appropriate accommodations can be made.

In addition to the recording of your image and voice, your name (or preferred name) may be displayed on screen, and your instructor may call your name during the lecture. As such, this personal information will be disclosed to classmates, whether during the lecture or in viewing the recording. By remaining in classes that are being recorded, you accept that personal information of this kind may be disclosed to others, whether during the lecture or when viewing the recording.

The University recognizes the importance of maintaining teaching spaces that are respectful and inclusive for all involved. To this end, offensive, violent, or harmful language arising in contexts such as the following may be cause for disciplinary action:

1. *Username (use only your legal or preferred name)*
2. *Visual backgrounds*
3. *"Chat" boxes*

To maintain a clear and uninterrupted learning space for all, you should keep your microphone muted throughout your class, unless invited by the instructor to speak.

You should follow instructors' directions about the use of the "chat" function on remote learning platforms.

Course Outline:

Here is an outline of the course with some required (*) and additional readings.

0. Math

1. Measuring the Macroeconomy
(Lecture notes loosely based on the book. Ch. 2 in the 3rd Edition of the book)
*Frank, R.H. (2008) "Income and Happiness: An Imperfect Link" Economic View

2. Introduction
* The Economist, "The other-worldly philosophers", July 18th 2009
Domar, E.D. (1970) "The Causes of Slavery or Serfdom: A Hypothesis" Journal of Economic History

3. Growth
a) Growth facts and the world income distribution
(Lecture notes loosely based on the book. Chapter 6 pg. 168-174 3rd Edition)
* The Economist, "More or less equal?", Mach 11th 2004
b) The Solow Model
(Lecture notes loosely based on the book. Chapter 6 pg. 187-207, Chapter 7 pg. 218-229 3rd Edition)
* Jorda et al (2020) "The long economic hangover of pandemics"
* Krugman, P. (1994) "The Myth of Asia's Miracle" Foreign Affairs
Solow, R.M. (1956) "A Contribution to the Theory of Economic Growth" Quarterly Journal of Economics
Bosworth B. and S. Collins (2008) "Accounting for Growth: Comparing China and India" Journal of Economic Perspectives

4. A One-Period Model of the Macroeconomy
(Lecture notes that follow the book closely. Chapter 4 and Chapter 5. pg. 126-129 3rd Edition)
* Krugman, P. (1998) "Baby-Sitting the Economy. The baby-sitting co-op that went bust teaches us something that could save the world" Slate.
* Lucas, R. "What Economists Do"

5. A Two-Period Model: The Consumption –Savings decision
(Lecture notes that follow the book closely. Chap. 8 3rd Edition)

Dates:

Some special dates:
- Homeworks: see table below
- Exams: see table below
- Reading week: On Thursday, October 14, the normal Thursday schedule of course lectures, labs, and conferences will be replaced by a Monday schedule. So exceptionally, we will have class on a Thursday on Oct 14.

	Date		Contents	Delivery	HW*	Readings**
1	01-Sep-21	Wednesday	Hello	Zoom meeting		
2			Math	Recording Math		
	03-Sep-21	Friday		Recording Measurement 1		
	06-Sep-21	Monday	Labour Day		HW1	
3	08-Sep-21	Wednesday	Measurement 1	Zoom meeting		
	10-Sep-21	Friday		Recording Measurement 2 & 3		Income and Happiness: An Imperfect Link (Frank)
4	13-Sep-21	Monday	Measurement 2			
5	15-Sep-21	Wednesday	Measurement 3	Zoom meeting		
	17-Sep-21	Friday		Recording Measurement 4 & 5		
6	20-Sep-21	Monday	Measurement 4	Zoom meeting		
7	22-Sep-21	Wednesday	Measurement 5 /Applications	Zoom meeting	Due	
	24-Sep-21	Friday				
8	**27-Sep-21**	**Monday**	**Exam 1 (up to Measurement 5 included), take-home 24 hrs. from Monday 12:00pm (noon) to Tuesday 12:00pm**			
9	29-Sep-21	Wednesday	Introduction			
	01-Oct-21	Friday		Recording Introduction & Growth Motivation & Solow 1		The other-worldly philosophers and More or less equal? (The Economist)
10	04-Oct-21	Monday	Growth: Motivation			
11	06-Oct-21	Wednesday	Solow 1	Zoom meeting		
	08-Oct-21	Friday		Recording Solow 2	HW2	
	11-Oct-21	Monday	Thanksgiving			
	13-Oct-21	Wednesday	Reading break			
12	14-Oct-21	Thursday	Solow 2	Zoom meeting		
	15-Oct-21	Friday		Recording Solow 3 & 4		The long economic hangover of pandemics (Jorda)

13	18-Oct-21	Monday	Solow 3			
14	20-Oct-21	Wednesday	Solow 4	Zoom meeting		
	22-Oct-21	Friday		Recording Solow 5 & 6		
15	25-Oct-21	Monday	Solow 5			
16	27-Oct-21	Wednesday	Solow 6	Zoom meeting		
	29-Oct-21	Friday		Recording Solow 7 and One-Period model 1		The Myth of Asia's Miracle (Krugman)
17	01-Nov-21	Monday	Solow 7	Zoom meeting	Due	
18	03-Nov-21	Wednesday	One-Period model 1	Zoom meeting		
	05-Nov-21	Friday				
19	**08-Nov-21**	**Monday**	**Exam 2 (from Introduction to Solow 7 both included), take-home 24 hrs. from Monday 12:00pm (noon) to Tuesday 12:00pm**			
20	10-Nov-21	Wednesday	One-Period model 2			
	12-Nov-21	Friday		Recording One-Period model 2,3 & 4	HW3	Baby-Sitting the Economy (Krugman) and What economists do (Lucas)
21	15-Nov-21	Monday	One-Period model 3			
22	17-Nov-21	Wednesday	One-Period model 4	Zoom meeting		
	19-Nov-21	Friday		Recording Two-Period model 1 & 2		
23	22-Nov-21	Monday	Two-Period model 1			
24	24-Nov-21	Wednesday	Two-Period model 2	Zoom meeting		
	26-Nov-21	Friday		Recording Two-Period model 3		
25	29-Nov-21	Monday	Two-Period model 3	Zoom meeting	Due	
26	01-Dec-21	Wednesday		Zoom meeting		

*Some of the material required to complete the assignment will be covered in the lectures that follow the date of release of the assignment

** You should read them after the corresponding lecture

In these Zoom meetings we will go over questions about the recordings released the previous Friday

In these Zoom meetings we will go over questions for the content of the exam