ECON 352D2
Macroeconomics - Honours
Department of Economics
McGill University
Winter 2020

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Office hours: Mondays, 2pm-3.30pm (or by appointment).
Regular classes: Mondays and Wednesdays, 8.35pm-9.55pm, RPHYS 118.
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Course Overview and Learning Outcomes
ECON 352D is a two–term course in Macroeconomics. ECON 352D1 is the first term of ECON 352D and is a pre–requisite for ECON 352D2, the second term of ECON 352D. No credit will be given for ECON 352D unless both ECON 352D1 and ECON 352D2 are successfully completed in consecutive terms.

ECON 352D2 builds upon the material of ECON 352D1, namely the real intertemporal model with investment. Whereas ECON 352D1 focused mostly on the real side of the economy, and on long-run economic growth, here we will study business cycles, monetary and fiscal policy, and international trade and finance. Although the focus will be on theory, namely building and understanding the basic economic model, we will also attempt to connect the theory with macroeconomic data and recent events.

Course Materials
The course textbook is Stephen Williamson’s *Macroeconomics*, Fifth Canadian edition, Pearson Education Canada, 2018. We shall follow the book very closely, the corresponding chapters are indicated in the course content below. Further references will be added through myCourses.

Course Content
1. The Basic Real Intertemporal Model with Investment - Review (Williamson, Chapter 11).

(a) A Monetary Intertemporal Model: Money, Banking, Prices, and Monetary Policy (Williamson, Chapter 12).

(b) Business Cycle Models with Flexible Prices and Wages (Williamson, Chapter 13).

(c) New Keynesian Economics: Sticky Prices (Williamson, Chapter 14).

(d) Inflation: Phillips Curves and Neo-Fisherism (Williamson, Chapter 15).

3. International Macroeconomics.

(a) International Trade in Goods and Assets (Williamson, Chapter 16).

(b) Money in the Open Economy (Williamson, Chapter 17).

4. Money, Banking, and Inflation

(a) Money, Inflation, and Banking: A Deeper Look (Williamson, Chapter 18).

Evaluation

The final grade for the course will be based on:

1. Problem sets (25%), there will be three of them throughout the semester, only a random subset of the questions will be graded.

2. Midterm exam (30%) on Monday, Feb 24 during regular class time, based upon the material covered until then. This exam is mandatory.

3. Final exam (45%), covering all the material. This exam is also mandatory.

Notes:

• The weighting cannot be changed on the basis of performance. The weight of the midterm can be moved to the final only via properly justified (e.g. medical note) absences. Absences to the final exam also need to be properly justified, and need to be followed-up by an official request for a deferral on Minerva.

• Supplemental examination for those eligible will cover material from 352D1 and 352D2 and it will be held in August after 352D2 is completed. Both courses will be equally weighted in the supplemental and this exam will count for 100% of the course grade. There will be no supplemental exam for the Winter semester material (352D2) alone.
McGill Policy Statements

- **Language of Submission:** 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.

  *En français:* Conformément à la Charte des droits de l’étudiant de l’Université McGill, chaque étudiant a le droit de soumettre en français ou en anglais tout travail écrit devant être noté (sauf dans le cas des cours dont l’un des objets est la maîtrise d’une langue).

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- **Copyright:** Instructor-generated course materials (e.g., handouts, notes, summaries, exam questions, etc.) are protected by law and may not be copied or distributed in any form or in any medium without explicit permission of the instructor. Note that infringements of copyright can be subject to follow up by the University under the Code of Student Conduct and Disciplinary Procedures.

- **Disabilities:** If you have a disability, please contact the instructor to arrange a time to discuss your situation. It would be helpful if you contact the Office for Students with Disabilities at 514-398-6009 before you do this.

- **Plagiarism:** Plagiarism is a serious academic offence. Please consult and read carefully McGill’s Academic Integrity website at [http://www.mcgill.ca/integrity/studentguide/](http://www.mcgill.ca/integrity/studentguide/). If you have any questions or uncertainties about what constitutes plagiarism, there are many resources at the University that can help you, including me.

- **Final Exams:** 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](http://www.mcgill.ca).
• Other: Additional policies governing academic issues which affect students can be found in the McGill Charter of Students’ Rights (see http://www.mcgill.ca/students/srr/).