

# ECON 352D2

## Macroeconomics - Honours

Department of Economics  
McGill University  
Winter 2021

**Instructor:** Rui Castro

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**Office hours:** Wednesdays, 1pm-2.20pm, over Zoom (link in myCourses), or by email appointment. I will also make heavy use of the Discussion Board under myCourses, students are strongly encouraged to post questions about the course material.

**Regular classes:** Mondays and Wednesdays, 4.05pm-5.25pm, live over Zoom (link in myCourses). The vast majority of classes will have a fixed-time format (any exceptions will be announced later), and will be recorded to allow for subsequent flexible access time.

**Teaching assistant:** Frank Yang, [fan.yang11@mail.mcgill.ca](mailto:fan.yang11@mail.mcgill.ca). Office hours: Mondays 7.15pm-8.15pm and Wednesdays 8am-9am (link in myCourses).

### 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*, Sixth Canadian edition, Pearson Education Canada, 2020. The e-version is recommended (much cheaper!) and is available through the Campus eBookstore. Once you obtain your access code, you need to register here using the course's id (castro93228): <https://www.pearsonmylabandmastering.com>.

[com/northamerica/students/get-registered/index.html](http://com/northamerica/students/get-registered/index.html). Note: the site works best with Google Chrome, it's possible you might not be able to log in with other browsers.

We shall follow the book very closely, the relevant 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).
2. Money and Business Cycles.
  - (a) A Monetary Intertemporal Model: Money, Banking, Prices, and Monetary Policy (Williamson, Chapter 12).
  - (b) Business Cycles (Williamson, Chapter 13).
  - (c) Inflation: Phillips Curves and Neo-Fisherism (Williamson, Chapter 14).
3. International Macroeconomics.
  - (a) International Trade in Goods and Assets (Williamson, Chapter 15).
  - (b) Money in the Open Economy (Williamson, Chapter 16).
4. Money, Banking, and Inflation
  - (a) Money and Inflation: A Deeper Look (Williamson, Chapter 17).
  - (b) Financial Intermediation and Banking (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 Wednesday, February 24, mandatory, open-book, and based upon the material covered until then. It will be a (4 hour plus 30 minutes) timed exam accessible via myCourses during a 48 hour window starting at that day's regular class. The time for completing the exam won't exceed 3 hours.
3. Final exam (45%), mandatory, open-book, and covering all the course material. It will be a (4 hour plus 30 minutes) timed exam, accessible via myCourses during a 48 hour window starting at the time indicated in the McGill's official final exam schedule for this course. The time for completing the exam won't exceed 3 hours.

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 is currently preparing the implementation of the plagiarism detection tool Urkund, a text-matching software (which includes formula-, equation-, and graph-matching). It is not certain at this point whether this will be functional during this term. If so, then work submitted for evaluation as part of this course may be checked with this text-matching software within myCourses.

### 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).

- *Academic Integrity:* 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 <http://www.mcgill.ca/integrity> for more information).

*En français:* L'université McGill attache une haute importance à l'honnêteté académique. Il incombe par conséquent à tous les étudiants de comprendre ce que l'on entend par tricherie, plagiat et autres infractions académiques, ainsi que les conséquences que peuvent avoir de telles actions, selon le Code de conduite de l'étudiant et des procédures disciplinaires.

- *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/>. 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/>).