



# McGill

McGILL UNIVERSITY  
DEPARTMENT OF ECONOMICS

**ECON 450**  
*ADVANCED ECONOMIC THEORY I: HONOURS<sup>1</sup>*  
**WINTER 2022**

**Instructor:** Moshe Lander  
**E-mail:** [moshe.lander@mcgill.ca](mailto:moshe.lander@mcgill.ca)  
**Lecture Location (Hours):** ARTS 260 (TR 08:35 – 09:55)  
**Office Location (Hours):** LEA 314 (MW 13:15 – 14:15, F 12:00 – 13:00)  
**Teaching Assistant:** TBD

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**Course Overview:**

Selected topics in economic theory from recent periodical and monograph literature.

**Course Prerequisites:**

- ECON 250D1/ECON 250D2
- ECON 352D1/ECON 352D2

**Course Restriction:**

- Not open to students who have taken ECON 450D1 and ECON 450D2.

**Number of Credits:**

- 3 credits

**Required Textbook and Materials:**

- Wickens, M. *Macroeconomic Theory: A Dynamic General Equilibrium Approach - Second Edition*. Princeton University Press, 2012.
  - This can be purchased at Paragraph Bookstore (<https://paragraphbooks.com/>) or through the publisher (<https://press.princeton.edu/titles/9743.html>).
  - A copy of this textbook is on reserve at the Humanities and Social Sciences Library.

**Course Assessment:**

COMPONENT	WEIGHT	DESCRIPTION
Midterm 1	25 percent	Chapters 2 – 4 (Wednesday, February 23, 18:00 – 20:00)
Midterm 2	25 percent	Chapters 5 – 6, 8 (Wednesday, March 23, 18:00 – 20:00)
Final	50 percent	Chapters 2 – 6, 8, 10 – 12 (Date and Time To Be Determined)

**Correspondence:**

All correspondence in this class will be directed through McGill email addresses *only*. Any email coming from any other address will be directed to spam immediately and will neither be read nor answered. If you have not activated your account already, please follow the instructions [here](#).

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<sup>1</sup> Every effort has been made to ensure the accuracy of the information contained in this course outline. In the event of extraordinary circumstances beyond the University's and/or instructor's control, the University and/or instructor may modify the delivery, content, structure, forum, location and/or evaluation scheme. In such an event, students will be informed.

**Lectures:**

- Lectures take place in person and focus overwhelmingly on what is in the textbook. Attendance is not required, but lectures are not recorded so you are responsible for any material covered in class (see *Tentative Lecture Schedule and Assigned Readings* on page 3).
- Because of the current state of health and safety protocols and concerns, you may not approach the instructor before and/or after class, regardless of your vaccination and/or masked status. Quick transitions in and out of the classroom are needed to minimise contact and interaction.

**Office Hours:**

- Office hours are not recorded, optional and take place online MW 13:15 – 14:15 and F 12:00 – 13:00 Eastern.
- As with traditional on-campus office hours, you are received on a first-come, first-served basis and not by appointment. You sit in a virtual waiting room until the instructor is ready to admit you.
- If you use the opportunity, you are expected to “arrive” prepared (ie, with their questions ready) and to be efficient so that the maximum number of students can make use of the available time.
- If you cannot attend because of scheduling conflicts, you may email questions with attached audio, video and/or photos. The more precise your question, the faster and more precise the response.

**Exams:**

- There are two two-hour midterms written outside of class time (Wednesday, February 23 and Wednesday, March 23) that cover the first- and second-thirds of the course, respectively, and a cumulative three-hour final written during the final exam period. (See *Course Assessment* on page 1 and *Tentative Lecture Schedule and Assigned Readings* on page 3 for more details about the contents and weights.)
- You are responsible for knowing the date, time and location of the final exam and can find that information at [www.mcgill.ca/exams/dates](http://www.mcgill.ca/exams/dates).
- The weight of a missed midterm, for any reason (eg, illness, religious, work obligation, exam scheduling conflict, etc.), is shifted automatically to the final. There are NO MAKEUP, ALTERNATE OR DEFERRED MIDTERMS under any circumstances, nor may they be written early.
- If you miss, or cannot write, the final exam, you must request a deferred exam according to the process described [here](#). Final exam accommodations are almost never approved for reasons relating to personal vacation/travel or family events.
- All exams are closed-book and written in person. Exams consist of multi-part problems that involve algebra, definitions and interpretations. In many cases, the answer to one part may lead to another.
- Exam problems rely heavily on [http://assets.press.princeton.edu/releases/wickens\\_questions3.pdf](http://assets.press.princeton.edu/releases/wickens_questions3.pdf). You are encouraged to use this site to practice and to review answers.
- You may use a non-programmable calculator and scrap paper to assist you, but you may NOT use any other additional materials (eg, formula sheets, dictionaries, etc.).
- Academic misconduct is pursued vigorously in accordance with McGill’s [Code of Student Conduct and Disciplinary Procedures](#). If you are aware of somebody else committing academic misconduct and do not report them, then you are committing academic misconduct. If you are unsure if what you are doing is acceptable, ask first.
- If you require university-approved special accommodations (eg, 30 min/hr extra writing time), you must secure the necessary approval from McGill’s [Office for Students with Disabilities](#) (OSD) and notify me at least one week prior to the exam to receive it.
- You may review your exams (rather than take notes or copy the exam contents) during TA office hours. Intellectual property laws protect the contents of the exam.

## Tentative Lecture Schedule and Assigned Readings:

DATE	EVENT	COVERAGE
January 6	Introduction	—
January 11	The Centralised Economy	Chapter 2.2 – 2.4
January 13	The Centralised Economy	Chapter 2.5 – 2.7
January 18	Economic Growth	Chapter 3.2 – 3.4
January 20	Economic Growth	Chapter 3.4 – 3.5
January 25	The Decentralised Economy	Chapter 4.2 – 4.3
January 27	The Decentralised Economy	Chapter 4.4 – 4.6
February 1	The Decentralised Economy	Chapter 4.7 – 4.9
February 3	Government: Expenditures and Public Finances	Chapter 5.2 – 5.3
February 8	Government: Expenditures and Public Finances	Chapter 5.4 – 5.6
February 10	Government: Expenditures and Public Finances	Chapter 5.7
February 15	Fiscal Policy: Further Issues	Chapter 6.2
February 17	Fiscal Policy: Further Issues	Chapter 6.3
February 22	The Monetary Economy	Chapter 8.3 – 8.5
February 23	MIDTERM 1 (18:00 – 20:00, LEA 26)	Chapters 2 – 4
February 24	The Monetary Economy	Chapter 8.6 – 8.8
March 8	The Monetary Economy	Chapter 8.10 – 8.12
March 10	Unemployment	Chapter 10.3 – 10.4
March 15	Unemployment	Chapter 10.4 – 10.5
March 17	Asset Pricing and Macroeconomics	Chapter 11.2 – 11.4
March 22	Asset Pricing and Macroeconomics	Chapter 11.5
March 23	MIDTERM 2 (18:00 – 20:00, LEA 26)	Chapters 5 – 6, 8
March 24	Asset Pricing and Macroeconomics	Chapter 11.6
March 29	Asset Pricing and Macroeconomics	Chapter 11.7 – 11.8
March 31	Financial Markets	Chapter 12.1 – 12.2
April 5	Financial Markets	Chapter 12.3
April 7	Financial Markets	Chapter 12.3
April 12	Financial Markets	Chapter 12.4
TBD	FINAL	Chapters 2 – 6, 8, 10 – 12

\* Depending on time and skill, we may slow down the pace and/or eliminate chapters from this list. Class attendance is critical to make sure you are focusing on the right materials.

### Lecture Style and Student Expectations:

I have been told that my lecture style is fast-paced and intense but engaging and humorous. Although students often find that this style makes the concepts easier to understand, they are often disappointed when they fail to perform to the level to which they are accustomed on my exams. My exams tend to reward those that are sufficiently knowledgeable of the underlying concepts and have developed an intuitive approach to the material. **Memorisation is almost never rewarded.**

To give you the best chance for success in my course, I strongly encourage you to come prepared and on time, avoid absences, participate regularly with a positive attitude, read the relevant materials before class and do the relevant practice exercises before the subsequent class, dress appropriately and identify problems and seek help as soon as they occur.



### Grade Criterion:

Letter	Points	Percent	Letter	Points	Percent	Letter	Points	Percent
A	4.0	85 – 100	B	3.0	70 – 74	C	2.0	55 – 59
A-	3.7	80 – 84	B-	2.7	65 – 69	D	1.0	50 – 54
B+	3.3	75 – 79	C+	2.3	60 – 64	F	0.0	00 – 49

- The official grade in this course is the letter grade. Where appropriate, a class average appears on transcripts expressed as the letter grade most representative of the class performance.
- Consult your department for the minimum grade necessary to fulfill your programme requirements.
- The grade distribution for ECON450 will be approximately normal, centred around 75 – 80 percent. If the distribution differs significantly, the instructor(s) may exercise discretion and adjust the grade thresholds. This will not serve as grounds for grade appeals.

### TA Support:

- TA support is available for this course. TAs will provide regular office hours to answer student questions, but not to provide tutoring or to provide answers to lab questions.
- Specifics about the TAs will be provided on myCourses beginning around the third week of classes.

### Copyright of Lectures:

- Course materials, such as course outlines, assignment questions, lectures, lecture notes, presentation slides and exam questions, irrespective of format, are the intellectual property of the instructor.
- If you upload these materials to file sharing sites, or distribute, publish or broadcast or share these materials with others outside the class in any way, in whole or in part, without prior expressed permission of the instructor, then you are in violation of the [Copyright Act of Canada](#) and McGill's [Code of Student Conduct and Disciplinary Procedures](#).
- You must also seek prior expressed permission of the instructor before, for example, photographing, recording or taking screenshots of slides, presentations, lectures and notes on the board. If you are found to be in violation of an instructor's intellectual property rights, you could face serious consequences pursuant to the [Code of Student Conduct and Disciplinary Procedures](#). Additional consequences could involve possible legal action under the [Copyright Act of Canada](#).

### 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](#).

### Student Assessment Policy:

The [University Student Assessment Policy](#) exists to ensure fair and equitable academic assessment for all students and to protect students from excessive workloads. Students are encouraged to review this Policy, which addresses multiple aspects and methods of student assessment (eg, the timing of evaluation due dates and weighting of final examinations).

### Students' Rights:

Additional policies governing academic issues that affect students can be found in the [Handbook on Student Rights and Responsibilities](#).