

Faculty of Science Course Syllabus Fall 2020**Department of Economics***ECON 5500**Macroeconomics**Fall 2020***Instructor(s):** James McNeil mcneilj@dal.ca**Lectures:** Asynchronous**Office hours:** W 9AM-11AM**Course Description**

This course is an introduction to the contemporary issues in dynamic macroeconomics. The course will survey some of the classical and recent topics excluding monetary issues which are addressed in ECON 5502. The topics covered include intertemporal consumption and saving decisions under uncertainty, capital asset pricing models, the theory of investment under uncertainty, Solow growth model, endogenous economic growth, alternative explanations of business cycles, and financial market imperfections.

Course Exclusion

ECON 5001 and 5500 normally cannot both be offered for credit.

Learning Objectives

The goal of this course is to use both statistical and theoretical models to better understand macroeconomic fluctuations. Upon completion of the course students will be able to:

- Detrend and understand key features of macroeconomic data,
- Estimate and interpret vector autoregression models,
- Solve two-period representative agent models and Dynamic Stochastic General Equilibrium (DSGE) models.

Course Materials

There is one required textbook for this course, available through the Dalhousie bookstore:

“Advanced macroeconomics” Romer, D. 2019, 5th edition, McGraw-Hill, New York, NY

Course Assessment

Component	Weight (% of final grade)	Date
<i>Assignment 1</i>	<i>8.75 %</i>	<i>Sept 24th</i>
<i>Assignment 2</i>	<i>8.75 %</i>	<i>Oct 8th</i>
<i>Midterm exam</i>	<i>20 %</i>	<i>Oct 22nd</i>

Assignment 3	8.75 %	Nov 5th
Assignment 4	8.75 %	Nov 26th
Final assignment	20 %	Dec 3rd
Final exam	25 %	(Scheduled exam period)

Other course requirements

The midterm will be a take-home exam. It will become available through Brightspace at noon on October 20th and will be due by 23:59 AST on October 22nd.

Conversion of numerical grades to Final Letter Grades follows the Dalhousie Common Grade Scale

A+ (90-100)	B+ (77-79)	C+ (65-69)	D	(50-54)
A (85-89)	B (73-76)	C (60-64)	F	(<50)
A- (80-84)	B- (70-72)	C- (55-59)		

Course Policies

Assignments are to be submitted through Brightspace by 23:59 PM AST on the due date. Late assignments will be deducted a full letter grade for each late day past the due date. Assignments submitted more than three days after the due date will receive a grade of zero.

While some collaboration is expected on the assignments, students must submit their own assignments. No collaboration is permitted on the midterm or final exam.

Students who are unable to write the midterm exam because of illness will need to complete the Student Declaration of Absence form, and the weight of the midterm will be transferred to the final exam. There will be no make-up midterm exam.

Students who are unable to write the final exam because of illness must notify the instructor *prior* to the start of the exam. They will then write a make-up exam to be scheduled at a later date.

Plagiarism software will be used in this course.

Course Content

Lecture 1: Introduction to macroeconomics

Readings: Romer, ch. 5.1

Lecture 2: Detrending macroeconomic data

Additional resources:

"Structural Macroeconometrics." Dejong, D. And C. Dave, 2007, Princeton University Press, Princeton, NJ. Chapter 3.

[Hamilton, J. \(2018\). Why You Should Never Use the Hodrick-Prescott Filter, *The Review of Economics and Statistics*, 100\(5\):831-843.](#)

Lecture 3: Vector autoregressions

Additional resources:

"[Structural Vector Autoregressive Analysis.](#)" Kilian, L. And H. Lütkepohl, 2016. Chapters 1, 2, 4, and 15.2

Lecture 4: Two-period economies

Additional resources:

“Macroeconomics.” Williamson, S.D., 2010, 3rd Canadian edition, Pearson, Toronto, Canada.
Chapters 4, 5, and 8.

Lecture 5: Asset pricing

Lecture 6: Real-business-cycle theory

Readings: Romer, ch. 5

Lecture 7: Nominal rigidity

Readings: Romer, ch. 6

Lecture 8: DSGE models of fluctuations

Readings: Romer, ch. 7

Lecture 9: Consumption

Readings: Romer, ch. 8

Lecture 10: Investment

Readings: Romer, ch. 9

Lecture 11: Financial markets and financial crises

Readings: Romer, ch. 10