

Macroeconomics Syllabus

Department of Economics

ECON 5500 Fall 2024

Dalhousie University acknowledges that we are in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People and pays respect to the Indigenous knowledges held by the Mi'kmaq People, and to the wisdom of their Elders past and present. The Mi'kmaq People signed Peace and Friendship Treaties with the Crown, and section 35 of the Constitution Act, 1982 recognizes and affirms Aboriginal and Treaty rights. We are all Treaty people.

Dalhousie University also acknowledges the histories, contributions, and legacies of African Nova Scotians, who have been here for over 400 years.

Course Instructor(s)

Name	Email	Office Hours
James McNeil	mcneilj@dal.ca	Mondays, 9-11, room C23 economics department

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, consumption-based asset pricing models, the theory of investment under uncertainty, explanations of business cycles, nominal rigidity, and financial market imperfections.

Student Resources

Students are welcome to attend my office hours, the time and location of which is noted above.

Course Structure

Course Delivery

In person. Lectures will not be recorded.

Lectures

Tuesdays and Thursdays from 14:35 to 15:55 in the McCain building room 1130.

Course Materials

There is no required textbook. However, a list of optional resources is listed below. You can also find the course slides and other materials on the course Brightspace page.

Cochrane, John H. *Asset pricing: Revised edition*. Princeton university press, 2009.

Galí, Jordi. *Monetary policy, inflation, and the business cycle: an introduction to the new Keynesian framework and its applications*. Princeton University Press, 2015.

Kilian, L., and Lütkepohl, H. *Structural Vector Autoregressive Analysis*. 2016.

Romer, David. *Advanced Macroeconomics*. 5th ed. New York: McGraw-Hill, 2019.

Walsh, Carl E. *Monetary Theory and Policy*. 2nd ed. Cambridge, Mass: MIT Press, 2003.

Williamson, S.D. *Macroeconomics*, 3rd Canadian ed. Toronto: Pearson, 2010.

Assessment

Assignments

In total the assignments will count for 30% of your final grade. We will drop your lowest assignment grade and assign a 10% weight to each of the other assignments.

Assessment	Due date
Assignment 1	Sept. 24
Assignment 2	Oct. 22
Assignment 3	Nov. 7
Assignment 4	Nov. 28

Tests/quizzes

The midterm exam will be held on in class on Oct. 3 and is worth 25% of your final grade.

Final exam

The final exam will be held during the scheduled exam period and is worth 45% of your final grade.

Conversion of numerical grades to final letter grades follows the

[Dalhousie Grade Scale](#)

A+ (90-100)	B+ (77-79)	C+ (65-69)	D (50-54)
A (85-89)	B (73-76)	C (60-64)	F (0-49)
A- (80-84)	B- (70-72)	C- (55-59)	

Course Policies on Missed or Late Academic Requirements

Paper copies of the assignments are to be submitted at the start of class on the due date.

Electronic submissions will not be accepted. In some cases students may be asked to submit computer code via Brightspace. 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.

Students who are unable to write the midterm exam because of illness will need to complete the Student Declaration of Absence form. The weight of the midterm will then 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.

Course Policies related to Academic Integrity

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

Learning Objectives

The goal of this course is to understand how to use theoretical models to better interpret macroeconomic fluctuations. Upon completion of the course students will be familiar with: dynamic optimization, solving DSGE methods, and interpretation of macroeconomic models.

Course Content

Lecture 1: Introduction: Eight Facts about the Macroeconomy

Lecture 2: Two-period economies

Additional resources:

- Williamson, Chapters 4, 5, and 8.

Lecture 3: Asset pricing

Additional resources:

- Cochrane, Chapter 1.

Lecture 4: Real-business-cycle theory

Additional resources:

- Romer, Chapter 5

Lecture 5: Money

Additional resources:

- Walsh, Chapter 2

Lecture 6: The New Keynesian model

Additional resources:

- Galí, Chapter 3

Lecture 7: Investment

Additional resources:

- Romer, Chapter 9

Lecture 8: Financial markets and financial crises

Additional resources:

- Romer, Chapter 10

Time permitting:

Lecture 9: Consumption

Additional resources:

- Gelman, M. (2022). The self-constrained hand-to-mouth. *Review of Economics and Statistics*, 104(5), 1096-1109.
- Romer, Chapter 8

Lecture 10: Beyond Full-Information Rational Expectations

Additional resources:

- Lorenzoni, G. (2009). A theory of demand shocks. *American Economic Review*, 99(5), 2050-2084.

Lecture 11: Vector autoregressions

Additional resources:

- Kilian, L., and Lütkepohl, Chapters 1, 2, 4, and 15.2

University Policies and Statements

Recognition of Mi'kmaq Territory

Dalhousie University would like to acknowledge that the University is on Traditional Mi'kmaq Territory. The Elders in Residence program provides students with access to First Nations elders for guidance, counsel, and support. Visit or e-mail the Indigenous Student Centre at 1321 Edward St or elders@dal.ca. Additional information regarding the Indigenous Student Centre can be found at: https://www.dal.ca/campus_life/communities/indigenous.html

Internationalization

At Dalhousie, 'thinking and acting globally' enhances the quality and impact of education, supporting learning that is "interdisciplinary, cross-cultural, global in reach, and orientated toward solving problems that extend across national borders." Additional internationalization information can be found at: <https://www.dal.ca/about-dal/internationalization.html>

Academic Integrity

At Dalhousie University, we are guided in all our work by the values of academic integrity: honesty, trust, fairness, responsibility, and respect. As a student, you are required to demonstrate these values in all the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity. Additional academic integrity information can be found at: https://www.dal.ca/dept/university_secretariat/academic-integrity.html

Accessibility

The Student Accessibility Centre is Dalhousie's centre of expertise for matters related to student accessibility and accommodation. If there are aspects of the design, instruction, and/or experiences within this course (online or in-person) that result in barriers to your inclusion, please contact the Student Accessibility Centre (https://www.dal.ca/campus_life/academic-support/accessibility.html) for all courses offered by Dalhousie with the exception of Truro. For courses offered by the Faculty of Agriculture, please contact the Student Success Centre in Truro (<https://www.dal.ca/about-dal/agricultural-campus/student-success-centre.html>)

Conduct in the Classroom – Culture of Respect

Substantial and constructive dialogue on challenging issues is an important part of academic inquiry and exchange. It requires willingness to listen and tolerance of opposing points of view.

Consideration of individual differences and alternative viewpoints is required of all class members, towards each other, towards instructors, and towards guest speakers. While expressions of differing perspectives are welcome and encouraged, the words and language used should remain within acceptable bounds of civility and respect.

Diversity and Inclusion – Culture of Respect

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. We stand for equality. Dalhousie is strengthened in our diversity. We are a respectful and inclusive community. We are committed to being a place where everyone feels welcome and supported, which is why our Strategic Direction prioritizes fostering a culture of diversity and inclusiveness (Strategic Priority 5.2). Additional diversity and inclusion information can be found at: <http://www.dal.ca/cultureofrespect.html>

Student Code of Conduct

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner - perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution. The full Code of Student Conduct can be found at:

https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html

Fair Dealing Policy

The Dalhousie University Fair Dealing Policy provides guidance for the limited use of copyright protected material without the risk of infringement and without having to seek the permission of copyright owners. It is intended to provide a balance between the rights of creators and the rights of users at Dalhousie. Additional information regarding the Fair Dealing Policy can be found at:

https://www.dal.ca/dept/university_secretariat/policies/academic/fair-dealing-policy-.html

Originality Checking Software

The course instructor may use Dalhousie's approved originality checking software and Google to check the originality of any work submitted for credit, in accordance with the Student Submission of Assignments and Use of Originality Checking Software Policy. Students are free, without penalty of grade, to choose an alternative method of attesting to the authenticity of their work and must inform the instructor no later than the last day to add/drop classes of their intent to choose an alternate method. Additional information regarding Originality Checking Software

can be found at: <https://www.dal.ca/about/leadership-governance/academic-integrity/faculty-resources/ouriginal-plagiarism-detection.html>

Student Use of Course Materials

Course materials are designed for use as part of this course at Dalhousie University and are the property of the instructor unless otherwise stated. Third party copyrighted materials (such as books, journal articles, music, videos, etc.) have either been licensed for use in this course or fall under an exception or limitation in Canadian Copyright law. Copying this course material for distribution (e.g. uploading to a commercial third-party website) may lead to a violation of Copyright law.