



General Course Information

Instructor: Mei Li

Email mli03@uoguelph.ca
Office Location MacKinnon 745
Office Hours Mondays and Wednesdays, 1:30PM-2:30PM
Department/School Economics & Finance

Class Schedule: Lectures: 10:00AM-11:20 AM, Mondays and Wednesdays
MCKN, Room 233

Course Description

This course will cover several important topics in Macroeconomics, including economic growth, business cycle theories, and money and monetary policy. We will examine a series of economic models such as the Solow growth model, overlapping - generations models, real-business-cycle models, money-in-utility models, and cash-in advance models. Some commonly used analytical tools in Macroeconomics, such as dynamic programming will also be introduced. Students are expected to develop a thorough understanding of the economic issues covered in this course and to master the basics of analytical tools.

Indicative Content

1. Economic growth

- The Solow Growth Model
- Infinite-Horizon and Overlapping-Generations Models
- Endogenous Growth

Readings:

Advanced Macroeconomics, David Romer, Chapters 1, 2, and 3.

Solow, Robert M., 1956, "A Contribution to the Theory of Economic Growth", *Quarterly Journal of Economics*, Vol. 70, No. 1, 65-94.

Diamond, Peter A., 1965, "National Debt in a Neoclassical Growth Model", *American Economic Review*, 55, 1126-1150.

Lucas, Robert E., Jr., 1988, "On the Mechanism of Economic Development", *Journal of Monetary Economics*, 22, 2-42.

Romer, Paul M., 1990, "Endogenous Technological Change", *Journal of Political Economy*, 98, S71-S102.

2. Dynamic Programming and Business Cycle Theories

- Dynamic Programming
- Real-Business-Cycle Theory
- Uncertainty and Business Cycles

Readings:

Dynamic Economics: Quantitative Methods and Applications, Jerome Adda and Russell Cooper, Chapter 2.

The ABCs of RBCs: An Introduction to Dynamic Macroeconomic Models, George McCandless, Chapters 4, 5, 6.

Advanced Macroeconomics, David Romer, Chapter 5.

Chamley, Christophe, 2012, "A Paradox of Thrift in General Equilibrium without Forward Markets", *Journal of the European Economic Association*, 10, 1215-1235.

3. Money and Monetary Policy

- Money-in-Utility Models
- Cash-in-Advance Models
- An OLG model with money
- Discretionary Monetary Policy and Time Inconsistency

Readings:

Monetary Theory and Policy, Carl E. Walsh, Chapters 2, 3 and 8

Modeling Monetary Economies, Bruce Champ, Scott Freeman and Joseph Haslag, Chapter 1& 3; Cambridge University Press, 3rd edition, 2011.

Svensson, L. E. O., 1985, "Money and Asset Prices in a Cash-in-Advance Economy", *Journal of Political Economy*, 93 (5), 919-944.

Cooley, T. F. and G. D. Hansen, 1989, "The Inflation Tax in a Real Business Cycle Model", *American Economic Review*, 79 (4), 733-748.

Cooley, T. F. and G. D. Hansen, 1991, "The Welfare Costs of Moderate Inflation", *Journal of Money, Credit and Banking*, 23 (3), 483-503.

Barro, R.J. and D. B. Gordon, 1983, "A Positive Theory of Monetary Policy in a Neutral-Rate Model," *Journal of Political Economy*, 91 (4), 589-610.

Barro, R.J. and D. B. Gordon, 1983, "Rules, Discretion, and Reputation in a Model of Monetary Policy," *Journal of Monetary Economics*, 12 (1), 101-121.

Course Assessment

			Due Date/ location
Assessment 1:	20%	Four assignments	In class
Assessment 2:	30%	Midterm Exam	TBA
Assessment 3:	50%	Final Exam	TBA
Total	100%		

Course Resources

Recommended Textbooks:

Advanced Macroeconomics (4th edition)
David Romer
McGraw-Hill, New York 2012

Monetary Theory and Policy (2nd edition)
Carl E. Walsh
The MIT Press 2003

There is no required textbook for this course. The lecture notes, which are based on various books and papers, will be the most important resource that you should rely on for this course.

Course Policies

Grading Policies

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds-proc.shtml>

Course Policy regarding use of electronic devices and recording of lectures

Electronic recording of classes or the use of cameras (including cell phones and iPads) in class is expressly forbidden without consent of the instructor. When recordings are permitted they are solely for the use of the authorized student and may not be reproduced, or transmitted to others, without the express written consent of the instructor.

University Policies

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic

Consideration:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2015-2016/>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Centre for Students with Disabilities as soon as possible.

For more information, contact CSD at 519-824-4120 ext. 56208 or email csd@uoguelph.ca or see the website: <http://www.uoguelph.ca/csd/>

Course Evaluation Information

Please refer to the <https://www.uoguelph.ca/economics/course-evaluation>

Drop date

The last date to drop one-semester courses, without academic penalty, is March 11th 2016. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/>