

Department of Economics
Wilfrid Laurier University
Winter 2008
EC 450
Advanced Macroeconomics

INSTRUCTOR

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LECTURE HOURS AND LOCATION

Tuesdays and Thursdays, 4:00 – 5:20 p.m. in P3007

OFFICE HOURS

Wednesdays 2:30pm-4:30m, or by appointment

COURSE WEBPAGE

http://www.econ.queensu.ca/pub/students/khans/EC450_W08.htm

The course outline, assignment questions, solutions to optional assignments and solution to mid-term exam will be posted on the course webpage. Important announcements concerning the course will also be posted there.

COURSE DESCRIPTION

An advanced survey of models of aggregate income, employment, and price level determination and recent developments in macroeconomics.

PREREQUISITES & CO-REQUISITES

[EC390](#); Year 4 of an Honours Economics program or permission of the department.

REQUIRED TEXTBOOKS

Peter B. Sorensen and Hans J. Whitta-Jacobsen (2005): *Introducing Advanced Macroeconomics: Growth & Business Cycles*, McGraw-Hill. **(SW)**

SUPPLEMENTARY TEXTBOOKS

David Romer (2006): *Advanced Macroeconomics* (3rd) edition, McGraw-Hill. **(R)**

Charles I. Jones (2002): *Introduction to Economic Growth*, second edition, Norton. **(J)**

TEXTBOOK WEBSITE

www.mcgraw-hill.co.uk/textbooks/sorensen

EVALUATION

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| Optional Assignments (You do NOT have to Submit) | 0% |
| Two Required Assignments | 15% |
| Mid-term Exam | 40% |
| Final Exam (Comprehensive) | 45% |

The course grade will be determined by the following rule:

Course Grade = maximum {(15% of Assignments + 40% of Midterm + 45% of Final), (15% of Assignments + 85% of Final)}

Students **must** write both the midterm exam and final exam to pass this course. If a student misses the midterm exam due to acceptable medical reasons or unavoidable circumstances, the weight of his or her midterm exam will be added to the final exam. Students must report to me the reasons of not writing the midterm exam prior to the exam date or immediately after the exam. **There will be no make-up midterm exam.**

ACCESSIBLE LEARNING STATEMENT

Students with disabilities or special needs are advised to contact Laurier's Accessible Learning Centre for information regarding its services and resources. Students are encouraged to review the Calendar for information regarding all services available on campus.

ACADEMIC AND RESEARCH MISCONDUCT

You are reminded that the University will levy sanctions on students who are found to have committed, or have attempted to commit, acts of academic or research misconduct. You are expected to know what constitutes an academic offense, to avoid committing such offenses, and to take responsibility for your academic actions. For information on categories of offenses and types of penalty, please consult the relevant section of the Undergraduate Academic Calendar. If you need clarification of aspects of University policy on Academic and Research Misconduct, please consult your instructor.

Wilfrid Laurier University uses software that can check for plagiarism. Students may be required to submit their written work in electronic form and have it checked for plagiarism.

COURSE OUTLINE AND LECTURE PLANS
(Reference codes refer to the texts mentioned above)

| Date | Topic | References/ Comments |
|-------------------------------|--|-----------------------------------|
| Week 1 (8-10 January) | Empirics about Prosperity and Growth | SW: Ch 2 |
| Week 2 (15-17 January) | The Basic Solow Growth Model | SW: Ch 3 |
| Week 3 (22-24 January) | The Solow Model with Technological Progress | SW: Ch 5 |
| Week 4 (29-31 January) | The Solow Model with Technological Progress | SW: Ch 5 |
| Week 5 (5-7 February) | The Solow Model with Human Capital | SW: Ch 6 |
| Week 6 (12-14 February) | Productive Externalities and Endogenous Growth | SW: Ch 8 |
| Week 7 (19-21 February) | | Reading Week |
| Week 8 (26-28 February) | Business Cycle facts; Investment and Asset Prices | SW: Ch 14 & Ch 15 |
| Week 9 (4-6 March) | Investment, Consumption, Income and Wealth | SW: Ch 15 & Ch 16 |
| March 8 (Saturday) | Midterm Exam | Time and Location: TBA |
| Week 10 (11-13 March) | Monetary Policy and Aggregate Demand | SW: Ch 17 |
| Week 11 (18-20 March) | Inflation, Unemployment and Aggregate Supply | SW: Ch 18 |
| Week 12 (25-27 March) | The model of Aggregate Supply and Aggregate Demand | SW: Ch 19 |
| Week 13 (1-3 April) | Stabilization Policy | SW: Ch 20 |

Note: Additional readings, if necessary, will be assigned during the term.

TIPS TO DO WELL IN THIS COURSE

- Attend all the lectures and actively participate in class. Feel free to ask as many questions as you want in the class. There is no ‘stupid question’ in my class.
- Read the textbook and other assigned readings between the lines and go through your lecture notes from the class. If you have any questions, please ask me during my office hours.
- Do all the assignments. Assignments are designed for helping you to understand the course materials and to prepare you for the exams.
- Go through the solutions to all assignments and mid-term carefully. If you face any problems, feel free to stop by during my office hours.