Overview

This is the second course in the macroeconomics sequence in the Master of Management program. The emphasis in this course is on developing the modelling skills required to understand modern macroeconomic theory, policy, and debates.

The course covers the core material at the heart of modern macroeconomics. Students are introduced to simple Keynesian macroeconomic models, the famous IS-LM model, the “Classical” model, theories of aggregate supply, theories of unemployment, inflation, Phillips curves, expectations, the open economy, growth, and government debt.

Throughout, students will learn both the mechanics of the different theories and how to use them to analyse macroeconomic events (for example, the Global Financial Crisis and the Great Recession) and alternative policy prescriptions.

Contact

There is one lecture per week, which is two hours long:

- Mondays 6:15 – 8:15pm, 200 Berkeley St., Level 2 Theatre

One-hour tutorials will be held most weeks:

- Mondays 8:15 – 9:15pm, 200 Berkeley St., Level 2 Theatre

These tutorials will be used to cover mathematical techniques, to review assignments once they have been handed in, and to provide other occasional material.

Office Hours

Tuesdays: 3:00 – 5:00pm, or by appointment.

Office: 111 Barry Street, FBE Building, Level 6 - office: 6.12
Assessment

A 2-hour end-of-semester examination (50%), 4 class assignments (20%), and a 2-hour mid-term examination (30%).

The assignments are designed to prepare you for the mid-term and final examinations. They are extremely important to build your skills. Team work is encouraged - maximum size of each group: three units.

Slides

Slides, assignments, and solutions will be made available online. In general, the material provided in this course is intended to be comprehensive for what is examinable.

Textbook (Optional)


This text is used as an optional supplement to the lecture notes, particularly chapters 3-5 (on the short run) and 10-13 (on the long run).

Key Dates

March 2: Assignment 1 handed out.

March 16: Assignment 1 due in (6:15pm).
            Assignment 2 handed out.

March 30: Assignment 2 due in (6:15pm).

**Break: April 3 – 12**

April 13: Mid-Term Examination (6:15 – 8:15pm, in class)
            Assignment 3 handed out, no tutorial that day.

May 4: Assignment 3 due in (6:15pm)
            Assignment 4 handed out.

May 19: Assignment 4 due in (6:15pm).

May 26: Final lecture, review.
Topics

1. Introduction, National Accounts, and the Basic Keynesian Model
2. The IS-LM Model
3. Aggregate Supply 1: The Classical Model

*Mid-term examination covers Topics 1-3.*
4. Aggregate Supply 2: The Keynesian Labour Market
5. The Open Economy
6. Phillips Curves and Expectations
7. Alternative Theories of Unemployment
8. The Long Run: Economic Growth

Rules and Expectations

- Lectures
  - Attendance is compulsory and important
  - No private talking during lectures
  - Mobile phones, etc., should be turned off during lectures
  - Students’ participation in lectures is strongly encouraged

- To perform optimally in this course, students should be willing to devote between 4-6 hours of studying per week.

- Feedback and suggestions are welcome at all times.