I recognize with respect the WSANEC (Saanich), Wyomilth (Esquimalt), and Lkwungen (Songhees) peoples on whose territories the University of Victoria stands, and whose relationships with this land remain profound today.

Course Outline
Econ 401-A01
Advanced Macroeconomic Theory (CRN- 11156)
Fall 2021

Instructor: Alok Kumar
Office: BEC 334
Class: Monday, Wednesday and Thursday: 14:30 - 15:20 PST, BEC 363
Office Hours: Monday, 11:00-13:00, PST Online. Due to health safety reasons, office hours will be held online through ZOOM.
Tel: 721-8543
Email: kumara@uvic.ca

This course will cover several topics in macroeconomic theory and policy such as growth, business cycle, monetary and fiscal policies, and sustainability of fiscal and financial systems. Students will learn to analyze macroeconomic issues using formal economic models. Particular focus will be on the dynamic general equilibrium framework, which is currently the dominant analytical framework in macroeconomics. We will be extensively using first-order linear and non-linear difference and differentials equations and constrained and unconstrained optimization methods.

Recommended Textbooks:


Grading :

Grading will be based on one project, two mid-term examinations and one assignment. Weights: Project – 50%, Mid-Term Examinations – 40% (20% each) and Assignment – 10%. Mid-Term examinations will be of 45 minutes duration.

Note: Assignment, examinations and project reports must be submitted by the due date and time. Late submissions will not be marked. All examinations will be closed-book examinations.
Important Dates:
Midterm I - Thursday, 14th October 14:30 - 15:15 PST
Midterm II - Monday, 8th November 14:30 - 15:15 PST
Assignment Given - Thursday, 18th November
Assignment Due - Thursday, 25th November in class
Project Topic Announced - Monday, 4th October
Project Report Deadline - Monday, 6th December in class. Project report must be typed.

Note: Project report guidelines are posted on the Brightspace.

I will cover following topics. I will post lecture notes, slides, videos, assignments and their solutions, and past exams on BRIGHTSPACE.

Topics

(1) Growth
Solow Growth Model, Augmented Solow Growth Model, Total Factor Productivity (TFP), Deep Determinants of Growth and TFP, Growth Regressions

Lecture 1, Chapter 1 and Chapter 4 of Romer, Isaksson (2007), Mankiw, Romer and Weil (1992), Kumar and Kober (2012), Kumar and Chen (2013)


(2) Consumption and Investment: Dynamic Stochastic General Equilibrium Models (Finite Horizon Models)

Lecture 2

(3) Risks and Saving

Lecture 2


(4) Business Cycle

Infinite Horizon Models, Real Business Cycle Model

Lecture 3 and Chapter 5 Romer

(5) Conduct of Monetary Policy

Goals, Targets, Indicators, and Instruments, Time-Inconsistency and Inflation Bias

Lecture 4


(6) Crisis

Sustainable Debt, Public Debt Crisis, Bank Runs and Stability of Financial System, Great Recession and Monetary Policy, Pandemics

Lecture 5


Some Important Comments

1. Grade Concerns: Students who have questions or concerns regarding their grade should discuss with me during office hours. All concerns must be brought to my attention no later than one week after the graded material was returned. After one week, any assigned grade is final.

2. Failed Exams: Failed exams cannot be retaken and no extra work can be done to improve your grade.

3. Make-Up Exams: No make up exam for the first midterm. Weight of the first mid-term will be shifted to the second mid-term exam. If a student misses second midterm, then the student has to write a make-up second mid-term exam.

4. Plagiarism and Cheating: Students must abide by UVic academic regulations and observe standards of scholarly integrity, (no plagiarism or cheating). All online exams must be taken individually and not with a friend, classmate, or group, nor can you access notes, course materials, the internet, or other resources while completing exams. You are also prohibited from sharing any information about the exam with others. Students who are found to have
engaged in unethical academic behavior, including the practices described on page 31 of the Calendar, are subject to penalty by the University.” The Library web-site has an excellent description of plagiarism which you may wish to consult http://library.uvic.ca/site/lib/instruction/cite/plagiarism.html. Prior to any exam you will be required to affirm that you will not give or receive any aid on the exam or access any unauthorized resources and that all work will be your own.

5. **Policy on Inclusivity and Diversity:** The University of Victoria is committed to promoting, providing and protecting a positive and safe learning and working environment for all its members. (UVic Calendar, p. 11)"

6. **Travel Plans:** Students are advised not to make travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period (see the University Calendar). There will be no special accommodation if travel plans conflict with the examination.

7. **Letter Grading:** Numerical score (%) equivalencies used in the Department are as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Score</th>
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<tbody>
<tr>
<td>A+</td>
<td>≥ 90%</td>
</tr>
<tr>
<td>A</td>
<td>85-89%</td>
</tr>
<tr>
<td>A-</td>
<td>80-84%</td>
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<tr>
<td>B+</td>
<td>77-79%</td>
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<tr>
<td>B</td>
<td>73-76%</td>
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<tr>
<td>B-</td>
<td>70-72%</td>
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<tr>
<td>C+</td>
<td>65-69%</td>
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<tr>
<td>C</td>
<td>60-64%</td>
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<tr>
<td>D</td>
<td>50-59%</td>
</tr>
<tr>
<td>F</td>
<td>&lt; 50%</td>
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For the grading scale and expectations, please see http://web.uvic.ca/calendar2017-05/undergrad/info/regulations/evaluation.html#.

8. **Academic Concession for work that will be completed before course grades are submitted by the instructor:** A student whose academic performance is affected by injury, family or personal affliction, or illness should immediately consult with University Counseling Services, University Health Services, or another health professional, and may request, directly from the course instructor, deferral or substitution of a mid-term test or examination, or of other work which is due during the term. This request must be accompanied by supporting documentation from the health professional and must specifically cover the date of the missed examination or assignment deadline. It should normally be dated on or before the exam/deadline date and be submitted to the instructor within 10 days of this date. All work for
which a Concession is approved must be completed before course grades are submitted by the instructor.

9. **DEF Grade:** Students who have not completed all course requirements at the time of grade submission are advised to obtain a *Request for Academic Concession* form for a DEF grade.

10. **E-Mails:** Emails should be limited to critical matters, such as inability to attend class, an exam, or prolonged illness, and should include the course name and number in the subject line. Questions on course material should be asked during live sessions (office hours or on Monday). The standard format for writing a letter must be used. This means it should start off with a salutation (e.g. Dear.), include full sentences and conclude with a signature that includes your name (e.g. "Sincerely, your full name). Text message lingo should not be used.

11. **Course Policies:** The University and the Departmental course policies can be found at [http://web.uvic.ca/econ/undergraduate/course_policies.php](http://web.uvic.ca/econ/undergraduate/course_policies.php)

12. It is the responsibility of students to check their registration status and keep it up to date.

13. **Sexualized Violence Prevention and Response:** UVIC takes sexualized violence seriously, and has raised the bar for what is considered acceptable behaviour. Students are encouraged to learn more about how the university defines sexualized violence and its overall approach by visiting [www.uvic.ca/svp](http://www.uvic.ca/svp). If you or someone you know has been impacted by sexualized violence and needs information, advice, and/or support please contact the sexualized violence resource office in Equity and Human Rights (EQHR). Contact svpcoordinator@uvic.ca.

14. From time to time there will be other announcements and they will be posted on BRIGHTSPACE. It is the responsibility of students to visit BRIGHTSPACE regularly.

**Important Note:** I value your feedback on this course. Towards the end of term you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future. When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation,
you can go directly to http://ces.uvic.ca. You will need to use your UVic NetLink ID to access the survey, which can be done on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

1. What strengths did your instructor demonstrate that helped you learn in this course?

2. Please provide specific suggestions as to how the instructor could have helped you learn more effectively.

3. Please provide specific suggestions as to how this course could be improved.