Course Outline
Econ 401-A01
Advanced Macroeconomic Theory (CRN- 11122)
Fall 2019

Instructor: Alok Kumar
Office: BEC 334
Class: Monday, Wednesday and Thursday: 14:30 - 15:20, BEC 363
Office Hours: Wednesday, 10:30 - 12:30, BEC 334
Tel: 721-8543
Email: kumara@uvic.ca
Course Web Page: http://web.uvic.ca/~kumara/econ401.html

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.

Recommended Textbooks:


Grading :

Grading will be based on one project, two mid-term examinations, and attendance in the last three weeks of classes (18th Nov-4th Dec). Weights: Project – 50%, Mid-Term Examinations – 50% (25% each). Mid-Term examinations will be of 45 minutes duration and will be held in class. Students who attend at least 6 out of 8 classes in the last three weeks of classes (18th Nov-4th Dec) will receive 2 marks as bonus.

Important Dates:

Midterm I - Thursday, 10th October
Midterm II - Thursday, 7th November
Project Topic Announced - Thursday, 3rd October
Project Report Deadline - Wednesday, 4th December (Last day of class)

**Note:** Tests must be written in ink. Project report must be typed. Late submissions will not be marked.

**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 (pages: 6-38) 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

*Lecture 2*

(3) Risks and Saving


(4) Conduct of Monetary Policy
Goals, Targets, Indicators, and Instruments, Time-Inconsistency and Inflation Bias

*Lecture 4*

(5) Crisis
Sustainable Debt, Public Debt Crisis, Bank Runs and Stability of Financial Institutions, Hyper-Inflation, Great Recession and Monetary Policy

*Lecture 5*

**Some Important Comments**

1. **Plagiarism and Cheating**: Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. 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 consult [http://library.uvic.ca/site/lib/instruction/cite/plagiarism.html](http://library.uvic.ca/site/lib/instruction/cite/plagiarism.html).
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)"  

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.  

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

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<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A+</td>
<td>≥ 90%</td>
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<tr>
<td>A</td>
<td>85-89%</td>
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<tr>
<td>A-</td>
<td>80-84%</td>
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<td>B+</td>
<td>77-79%</td>
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<td>B</td>
<td>73-76%</td>
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<tr>
<td>B-</td>
<td>70-72%</td>
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<td>C+</td>
<td>65-69%</td>
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<td>C</td>
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<td>D</td>
<td>50-59%</td>
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<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#.

5. 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.

6. 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.

7. 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 office hours or in class. 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.

8. **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)

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

10. From time to time there will be other announcements and they will be posted on the course web page. It is the responsibility of students to visit the course web-page 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](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.