

Term Information

Effective Term Autumn 2020
Previous Value Autumn 2019

Course Change Information

What change is being proposed? (If more than one, what changes are being proposed?)

Changing the course to allow us to have the course offered as distance learning (DL)

What is the rationale for the proposed change(s)?

We want the flexibility to offer the course as a DL course in case a group of students are not able to attend in person (due to pandemic, travel visa issues, etc.)

What are the programmatic implications of the proposed change(s)?

(e.g. program requirements to be added or removed, changes to be made in available resources, effect on other programs that use the course)?

There are no major implications. It is being done to try to keep the program as close to normal as possible, under the circumstances, rather than to modify it.

Is approval of the request contingent upon the approval of other course or curricular program request? No

Is this a request to withdraw the course? No

General Information

Course Bulletin Listing/Subject Area	Economics
Fiscal Unit/Academic Org	Economics - D0722
College/Academic Group	Arts and Sciences
Level/Career	Graduate
Course Number/Catalog	8722
Course Title	Macroeconomic Theory IB
Transcript Abbreviation	Macro Theory 1B
Course Description	Continuation of 8721 with recent developments in macro and monetary economics; topics include business cycles, endogenous growth, equilibrium unemployment and risk sharing in incomplete markets.
Semester Credit Hours/Units	Fixed: 3

Offering Information

Length Of Course	14 Week, 12 Week, 8 Week, 7 Week, 6 Week, 4 Week
Flexibly Scheduled Course	Never
Does any section of this course have a distance education component?	Yes
Is any section of the course offered	100% at a distance
<i>Previous Value</i>	<i>No</i>
Grading Basis	Letter Grade
Repeatable	No
Course Components	Recitation, Lecture
Grade Roster Component	Recitation
Credit Available by Exam	No
Admission Condition Course	No
Off Campus	Never
Campus of Offering	Columbus

Prerequisites and Exclusions

Prerequisites/Corequisites

Prereq: 8721, or equiv, and permission of Economics Director of Grad Studies.

Previous Value

Prereq: 8721 (806), or equiv, and permission of Economics Director of Grad Studies.

Exclusions

Previous Value

Not open to students with credit for 807.

Electronically Enforced

No

Cross-Listings

Cross-Listings

Subject/CIP Code

Subject/CIP Code

45.0603

Subsidy Level

Doctoral Course

Intended Rank

Doctoral

Requirement/Elective Designation

Required for this unit's degrees, majors, and/or minors

Course Details

Course goals or learning objectives/outcomes

- Understanding of macroeconomic analysis, dynamic programming and recursive competitive equilibrium tools to explore core research topics in macroeconomics.

Previous Value

Content Topic List

- Recent development in macro-monetary economics
- Search-based theories of unemployment and incomplete risk sharing
- Leading theories of endogenous growth
- Modern business cycle theory

Sought Concurrence

No

Previous Value

Attachments

- ASC Tech Checklist for Econ 8722.docx: ASC tech checklist
(Other Supporting Documentation. Owner: Tobin, Ricky Mase)
- ASC DL Course Syllabus Econ 8722 AU20.docx: Online syllabus
(Syllabus. Owner: Tobin, Ricky Mase)
- ECON 8722 (18625) - Thomas.pdf: In-person syllabus
(Syllabus. Owner: Tobin, Ricky Mase)

Comments

COURSE CHANGE REQUEST
8722 - Status: PENDING

Last Updated: Vankeerbergen, Bernadette
Chantal
07/01/2020

Workflow Information

Status	User(s)	Date/Time	Step
Submitted	Tobin, Ricky Mase	06/24/2020 08:29 AM	Submitted for Approval
Approved	Peck, James D	06/24/2020 09:15 AM	Unit Approval
Approved	Haddad, Deborah Moore	06/24/2020 10:09 AM	College Approval
Pending Approval	Jenkins, Mary Ellen Bigler Hanlin, Deborah Kay Oldroyd, Shelby Quinn Vankeerbergen, Bernadette Chantal	06/24/2020 10:09 AM	ASCCAO Approval



THE OHIO STATE UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

Syllabus: ECON 8722
MACROECONOMIC THEORY 1B
AU 2020

Course overview

Instructor

Instructor: Julia Thomas
Email address: Thomas.2108@osu.edu
Phone number: TBD
Office hours: TBD
Office Location: Arps Hall (Office Hours on Zoom)

Course description

This course applies macroeconomic analysis, dynamic programming and recursive competitive equilibrium tools to explore core research topics in macroeconomics. We will begin with a study of modern business cycle theory consistent with long-run growth, laying out a basic class of model, examining how its aggregate dynamics are solved using linear methods, then evaluating its successes and failures relative to U.S. postwar data. We then will discuss how to operationalize dynamic programming as an alternative means of solving such models for which analytical solution is infeasible. Next, we will examine search-based theories of equilibrium unemployment, and we will consider what baseline economic theory predicts for the pricing of assets, including shares in firms. Thereafter, we will study theories of economic growth and imperfect risk-sharing.

This course will be offered 100% online to accommodate students during the ongoing public health crisis.

Course learning outcomes

By the end of this course, students should successfully be able to understand core concepts and methods such as those listed above.

Course materials

Required

Ljungqvist, Lars & Thomas J. Sargent, Recursive Macroeconomic Theory 3rd ed., MIT Press 2012.

Course technology

For help with your password, university e-mail, Carmen, or any other technology issues, questions, or requests, contact the OSU IT Service Desk. Standard support hours are available at <https://ocio.osu.edu/help/hours>, and support for urgent issues is available 24x7.

- **Self-Service and Chat support:** <http://ocio.osu.edu/selfservice>
- **Phone:** 614-688-HELP (4357)
- **Email:** 8help@osu.edu
- **TDD:** 614-688-8743
- **Carmen Zoom:** <https://resourcecenter.odee.osu.edu/carmenzoom>

Baseline technical skills necessary for online courses

- Basic computer and web-browsing skills
- Navigating Carmen

Technology skills necessary for this specific course

- Carmen Zoom text, audio, and video chat
- Collaborating in CarmenWiki
- Proficiency with Carmen Zoom

Necessary equipment

- Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection
- Webcam: built-in or external webcam, fully installed
- Microphone: built-in laptop or tablet mic or external microphone

Necessary software

- [Microsoft Office 365 ProPlus](#) All Ohio State students are now eligible for free Microsoft Office 365 ProPlus through Microsoft's Student Advantage program. Each student can install Office on five PCs or Macs, five tablets (Windows, iPad® and Android™) and five phones.
 - Students are able to access Word, Excel, PowerPoint, Outlook and other programs, depending on platform. Users will also receive 1 TB of OneDrive for Business storage.

- Office 365 is installed within your BuckeyeMail account. Full instructions for downloading and installation can be found <https://ocio.osu.edu/kb04733>.

Grading and faculty response

Grades

You will each complete 4 problem sets, a midterm, and a final exam. No exam absence will be excused without a documented illness or medical emergency. In determining final class grades, I will assign 15% weight to problem sets, 40% to the midterm exam, and 45% to the (cumulative) final exam. There are no make-up exams; if you miss an exam with a valid excuse, I will redistribute its weight between problem sets and the other exam

Assignment information

Problem sets will be distributed to the class. Exams will be answered during class time using either standard OSU blue books **or** Carmen exams for online tests.

Faculty feedback and response time

Please email me with questions related to subjects covered in lectures. Email the GTA (email TBD) with questions about assignments or subjects covered in the recitation. Virtual office hours will be held weekly via Zoom. (Remember that you can call **614-688-HELP** at any time if you have a technical problem.)

Attendance, participation, and discussions

Student participation requirements

Because this is a distance-education course, your attendance is based on your online activity and participation. The following is a summary of everyone's expected participation:

- Attend all lectures and recitation sections through Zoom
- Complete all assigned coursework

Other course policies

Student academic services

Student academic services offered on the OSU main campus

<http://advising.osu.edu/welcome.shtml>.

Student support services

Student support services offered on the OSU main campus <http://ssc.osu.edu>.

Academic integrity policy

Policies for this online course

- **Midterms and exams:** You must complete the midterm and final exams yourself, without any external help or communication.
- **Reusing past work:** In general, you are prohibited in university courses from turning in work from a past class to your current class, even if you modify it. If you want to build on past research or revisit a topic you've explored in previous courses, please discuss the situation with me.

Ohio State's academic integrity policy

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term "academic misconduct" includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct <http://studentlife.osu.edu/csc/>.

Copyright disclaimer

The materials used in connection with this course may be subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.

Statement on title IX

Title IX makes it clear that violence and harassment based on sex and gender are Civil Rights offenses subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories (e.g., race). If you or someone you know has been

sexually harassed or assaulted, you may find the appropriate resources at <http://titleix.osu.edu> or by contacting the Ohio State Title IX Coordinator, Kellie Brennan, at titleix@osu.edu

Accessibility accommodations for students with disabilities

The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Accessibility of course technology

This online course requires use of Carmen (Ohio State's learning management system) and other online communication and multimedia tools. If you need additional services to use these technologies, please request accommodations with your instructor.

- [Carmen \(Canvas\) accessibility](#)
- Streaming audio and video
- Synchronous course tools

Your mental health

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life's Counseling and Consultation Service (CCS) by visiting ccs.osu.edu or calling 614- 292-5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on call counselor when CCS is closed at 614-292-5766 and 24 hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1-800-273- TALK or at suicidepreventionlifeline.org

COURSE OUTLINE

Note that this outline is subject to change.

Intended Topics and Associated Readings

Week 1. Oct. 18 Equilibrium Business Cycles

- _ King, Plosser and Rebelo (1988) and (2002)
- _ Hansen (1985) indivisible labor version

Week 2. Oct. 25 Search and Employment

- _ Ljungqvist and Sargent Chapter 6 and Section 28-3
- Mortensen and Pissarides matching model (Mortensen and Pissarides (1994), Shimer (2005) and Pissarides (2001))

Week 3. Nov. 2 Asset Pricing

- Ljungqvist and Sargent Chapter 13, Sections 5-7; Chapter 14, Section 3
- Lucas (1978) fruit tree model
- Equity premium puzzle (Mehra and Prescott (1985))

Week 4. Nov. 9 Midterm

Week 5. Nov. 16 Endogenous Growth

- Ljungqvist and Sargent Chapter 15
- Lucas (1988) human capital accumulation model
- Romer (1990) research and development model

Week 6. Nov. 23 Insurance under Complete Markets with Frictions

- Ljungqvist and Sargent Chapters 20 and 21
- Abbreviated coverage of Kocherlakota.s (1996) insurance model

Week 7. Nov. 30 Review

Final Exam

Economics 8722: Macroeconomic Theory IB, Fall 2019

October 14 - December 04

Instructor: Julia Thomas

Lectures: MW 4:10 - 6:00 pm, MacQuigg 159

Teaching Assistant: Ben Lidofsky

Recitations: F 4:10 - 6:00 pm, MacQuigg 159

Overview: *This course applies macroeconomic analysis, dynamic programming and recursive competitive equilibrium tools to explore core research topics in macroeconomics. We will begin with a study of modern business cycle theory consistent with long-run growth, laying out a basic class of model, examining how its aggregate dynamics are solved using linear methods, then evaluating its successes and failures relative to U.S. postwar data. We then will discuss how to operationalize dynamic programming as an alternative means of solving such models for which analytical solution is infeasible. Next, we will examine search-based theories of equilibrium unemployment, and we will consider what baseline economic theory predicts for the pricing of assets, including shares in firms. Thereafter, we will study theories of economic growth and imperfect risk-sharing.*

Textbook:

Ljungqvist, Lars & Thomas J. Sargent, *Recursive Macroeconomic Theory* 3rd ed., MIT Press 2012.

Course webpage: <http://web.econ.ohio-state.edu/thomas/teaching/E8722>

The case-sensitive login and password are listed below. Students should check this site regularly for announcements and slides. Posted slides are no substitute for class notes; corrections, extensions and explanations covered in class are your responsibility. **login:** fall2009 **password:** 6char2

Office hours and other outside-class communication:

JKT OH (Arps 431): Tue. 2:00 - 3:00, Wed. 2:50 - 3:50; other times by appt. only.

BL OH (Arps 387): Mon. 3:00 - 4:00, Thur. 5:00 - 6:00; other times by appt. only.

Email me at thomas.2108@osu.edu (only), and Ben at lidofsky.1@buckeyemail.osu.edu (only). To ensure your email is read, it is **essential** that you start your **subject line** on any class-related email to me or to Ben with "**E8722**".

Course requirements: You will each complete 4 problem sets, a midterm, and a final exam. The midterm will be **Wednesday, 06 November, 4:10-6:00 pm**; the final will be **Thursday, 12 December, 4:00-5:45 pm**. Both will be held in MacQuigg 159. **No exam absence will be excused without a documented illness or medical emergency.** In determining final class grades, I will assign 15% weight to problem sets, 40% to the midterm exam, and 45% to the (cumulative) final exam. There are no make-up exams; if you miss an exam with a valid excuse, I will redistribute its weight between problem sets and the other exam. **Late problem sets cannot be accepted**, given the timing of their coverage.

Re-grades: Exam re-grade requests must be submitted in writing, accompanied by the original exam, and delivered in a sealed envelope to Ben. The written request must state which question is to be re-evaluated, and must include a clear statement of why. Note that this may result in a re-evaluation of your whole examination, and points may be added or deducted.

Intended Topics and Associated Readings

1. Equilibrium Business Cycles

- King, Plosser and Rebelo (1988) and (2002)
- Hansen (1985) indivisible labor version

2. Search and Employment

- Ljungqvist and Sargent Chapter 6 and Section 28-3
- Mortensen and Pissarides matching model (Mortensen and Pissarides (1994), Shimer (2005) and Pissarides (2001))

3. Asset Pricing

- Ljungqvist and Sargent Chapter 13, Sections 5-7; Chapter 14, Section 3
- Lucas (1978) fruit tree model
- Equity premium puzzle (Mehra and Prescott (1985))

4. Endogenous Growth

- Ljungqvist and Sargent Chapter 15
- Lucas (1988) human capital accumulation model
- Romer (1990) research and development model

5. Insurance under Complete Markets with Frictions

- Ljungqvist and Sargent Chapters 20 and 21
- Abbreviated coverage of Kocherlakota's (1996) insurance model

References

- [1] Cooley, Thomas F. and Edward C. Prescott "Economic Growth and Business Cycles," Chapter 1 in T. F. Cooley, ed., *Frontiers of Business Cycle Research*, (Princeton University Press, 1995), pages 1-38.
- [2] Hansen, Gary D. (1985) "Indivisible Labor and the Business Cycle" *Journal of Monetary Economics* **16**: 309-327.
- [3] Hopenhayn, Hugo & Rogerson, Richard (1993) "Job Turnover and Policy Evaluation: A General Equilibrium Analysis," *Journal of Political Economy*, vol. 101(5:October): 915-38.
- [4] King, Robert G., Plosser, Charles I. and Sergio T. Rebelo (1988) 'Production, Growth and Business Cycles I: The Basic Neoclassical Model' *Journal of Monetary Economics* **21**: 197-232

- [5] King, Robert G., Plosser, Charles I. and Sergio T. Rebelo (2002) 'Production, Growth and Business Cycles: Technical Appendix' *Computational Economics* **20**: 87–116.
- [6] Kocherlakota, Narayana R (1996) "Implications of Efficient Risk Sharing without Commitment" *Review of Economic Studies* vol. 63(4): 595-609. <http://www.jstor.org/stable/2297795>.
- [7] Krusell, Per, Toshihiko Mukoyama and Anthony A. Smith (2008) 'Asset Prices in a Hugget Economy' working paper
- [8] Kydland Finn E. and Edward C. Prescott (1982) 'Time to Build and Aggregate Fluctuations' *Econometrica* **50**: 1345-70
- [9] Lucas, Robert E, Jr. (1991) *Models of Business Cycles*, Blackwell
- [10] Lucas, Robert E, Jr. (1977) 'Understanding Business Cycles,' reprinted in Lucas (1983) *Studies in Business Cycle Theory*, MIT Press
- [11] Lucas, Robert E, Jr. (1978) 'Asset Prices in an Exchange Economy' *Econometrica* **46** (6): 1429-45.
- [12] Lucas, Robert Jr. & Stokey, Nancy L., 1983. "Optimal fiscal and monetary policy in an economy without capital," *Journal of Monetary Economics*, vol. 12(1): 55-93.
- [13] Lucas, Robert E, Jr & Stokey, Nancy L, 1987. "Money and Interest in a Cash-in-Advance Economy," *Econometrica*, vol. 55(3: May): 491-513.
- [14] Mehra, Rajnish and Edward C. Prescott (1985) 'The Equity Premium: A Puzzle,' *Journal of Monetary Economics*, **15** (March): 145-61.
- [15] Mortensen, Dale T. and Christopher A. Pissarides (1994) "Job creation and job destruction in the theory of unemployment" *Review of Economic Studies*, Vol. 61 (3:July): 397-415.
- [16] Pissarides, Christopher A. *Equilibrium unemployment theory*, 2nd edition. MIT Press, 2001.
- [17] Prescott, Edward C. (1986) "Theory Ahead of Business Cycle Measurement," revised version printed in Federal Reserve Bank of Minneapolis Quarterly Review 10 (Fall 1986): 9-22.
- [18] Rogerson, Richard (1988) "Indivisible labor, lotteries and equilibrium," *Journal of Monetary Economics* 21(January): 3-16.
- [19] Romer, Paul M. (1990) "Endogenous Technological Change," *Journal of Political Economy*, Vol. 98 (5:October): S71-S102.
- [20] Shimer, Robert (2005) "The Cyclical Behavior of Equilibrium Unemployment and Vacancies," *The American Economic Review*, Vol. 95 (1:March): 25-49.
- [21] Shimer, Robert (2010) *Labor Markets and Business Cycles (CREI Lectures in Macroeconomics)*, Princeton University Press.

Disability statement:

Students with disabilities that have been certified by the Office of Student Life Disability Services (SLDS) will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. SLDS is located at: 098 Baker Hall, 113 W. 12th Avenue; telephone 292-3307, email slds@osu.edu, website <http://slds.osu.edu/>.

Academic integrity/misconduct statement:

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct."

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an 'excuse' for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me. Other sources of information on academic misconduct (integrity) are listed below.

- Code of Student Conduct: www.studentaffairs.osu.edu/resource_csc.asp
- Committee on Academic Misconduct web pages: www.oaa.osu.edu/coam/home.html
- Ten Suggestions for Preserving Academic Integrity: www.oaa.osu.edu/coam/ten-suggestions.html
- Eight Cardinal Rules of Academic Integrity: www.northwestern.edu/uacc/8cards.html

Arts and Sciences Distance Learning Course Component Technical Review Checklist

Course: ECON 8722

Instructor: Julia Thomas

Summary: Macroeconomic Theory 1b

Standard - Course Technology	Yes	Yes with Revisions	No	Feedback/Recomm.
6.1 The tools used in the course support the learning objectives and competencies.	X			<ul style="list-style-type: none"> Office 365 Carmen
6.2 Course tools promote learner engagement and active learning.	X			<ul style="list-style-type: none"> CarmenZoom (referred to as CarmenConnect and needs to be changed) CarmenWiki Carmen Discussion Boards
6.3 Technologies required in the course are readily obtainable.	X			All tools are available via OSU site license free of charge.
6.4 The course technologies are current.	X			All are updated regularly.
6.5 Links are provided to privacy policies for all external tools required in the course.	X			No external tools are used.
Standard - Learner Support				
7.1 The course instructions articulate or link to a clear description of the technical support offered and how to access it.	X			Links to 8HELP are provided
7.2 Course instructions articulate or link to the institution's accessibility policies and services.	X			a
7.3 Course instructions articulate or link to an explanation of how the institution's academic support services and resources can help learners succeed in the course and how learners can obtain them.	X			b
7.4 Course instructions articulate or link to an explanation of how the institution's student services and resources can help learners succeed and how learners can obtain them.	X			c
Standard – Accessibility and Usability				
8.1 Course navigation facilitates ease of use.	X			Recommend using the Carmen Distance Learning "Master Course" template developed by ODEE and available in the Canvas Commons to provide student-users with a consistent user experience in terms of navigation and access to course content.
8.2 Information is provided about the accessibility of all technologies required in the course.	X			No 3 rd party tools are used.
8.3 The course provides alternative means of access to course materials in formats that meet the needs of diverse learners.	X			Instructions are provided to obtain materials in another format.

8.4 The course design facilitates readability	X		
8.5 Course multimedia facilitate ease of use.	X		All assignments and activities that use the Carmen LMS with embedded multimedia facilitates ease of use. All other multimedia resources facilitate ease of use by being available through a standard web browser

Reviewer Information

- Date reviewed: 6/23/20
- Reviewed by: Ian Anderson

Notes: Looks good!

^aThe following statement about disability services (recommended 16 point font):
 Students with disabilities (including mental health, chronic or temporary medical conditions) that have been certified by the Office of Student Life Disability Services will be appropriately accommodated and should inform the instructor as soon as possible of their needs. The Office of Student Life Disability Services is located in 098 Baker Hall, 113 W. 12th Avenue; telephone 614- 292-3307, slds@osu.edu; slds.osu.edu.

^bAdd to the syllabus this link with an overview and contact information for the student academic services offered on the OSU main campus.
<http://advising.osu.edu/welcome.shtml>

^cAdd to the syllabus this link with an overview and contact information for student services offered on the OSU main campus. <http://ssc.osu.edu>. Also, consider including this link in the “Other Course Policies” section of the syllabus.