

Economics 402 – Business Cycles

Instructions for Writing Literature Review Paper for Course

The goal of your paper should be to summarize recent developments within a particular area on business cycle theory that we have looked at within the course. The following are general ideas, but feel free to find a unique topic. If you choose a different topic, please discuss it with me prior to pursuing the topic.

1. The usefulness of business cycle theory in explaining stylized facts.
2. The Real Business Cycle Approach in understanding economic fluctuations.
3. The challenges faced by monetary policy.
4. Stabilizing the business cycle: the Time Inconsistency of Optimal Policy Plans.
5. Does money matter? Evidence on the Effects of Monetary Policy.
6. The New Keynesian Approach to understanding economic fluctuations.
7. What role do expectations play in modern macroeconomic models?

Format

General Instructions

The paper should be less than 3000 words in total and in between 7 - 10 pages in length. It should be double-spaced, either 11 or 12 point font and with 1 inch margins on the side. Please include your name and id number in the header of every page and the page number on the bottom of every page. Neither the title page, nor the list of references will count towards either the word or page limit. **In addition, please include the grading rubric at the end of these instructions as a cover sheet in front of the title page.**

Title, Name and Abstract

Your paper should have a title page with an abstract that summarizes the paper. The format for the title page should be:

- Title
- Author (Your name)
- Your school – id number
- Abstract

The abstract should be 100 words or less and should summarize the paper. The lack of a title on the paper itself will diminish your grade by 10%. In addition, the lack of a name on the paper itself will reduce your grade by 8%. Please put a title and your name on the paper. In addition, please put your name and id number in the header of subsequent pages.

Note: The words in the title and abstract do not count towards the overall word (or page) limit.

Introduction

Your introduction should state the area of research that you will summarize in the body of your paper. Outline and motivate the research topic, providing background material if necessary. Tell readers why this area is important.

Literature Review

This should be the main body of your paper. You should seek to weave together developments in the particular area of research that you have selected. Highlight the key assumptions made in the different papers, the methodologies they used. Compare and contrast the papers in terms of the approaches they used, the assumptions they made, as well as their findings. Use data/statistics to highlight key points. Provide intuition behind what drives the results in the different papers. Minimum of 5 papers to be reviewed.

Conclusions

Outline the general/over results or themes from this area of research. Show if this area of research has reached some sense of consensus on the topic in question? Or, are there conflicting views that remain still? Conclude by suggesting possible avenues of further research that have been advocated (if conflicting views remain).

References

Please use the following convention when citing works in the main body of the text.

Citations in the Text

All citations in the text should refer to:

- Single Author: the Author's name (without initials, unless there is ambiguity) and the year of publication, e.g. Ahmad (2005)
- Two Authors: both Authors' names and the year of publication, e.g. Ahmad and Glosser (2009)
- Three or more Authors: first Author's name followed by "et al." and the year of publication, e.g. Ahmad et al. (2007)

More Examples: "as demonstrated in Allan (1996a, 1996b, 1999); Allan and Jones (1995). Lee et al. (2000) have recently shown"

In the references list, references should be arranged first alphabetically and then further sorted chronologically if necessary. More than one reference from the same Author(s) in the same year must be identified by the letters "a", "b", "c", etc., placed after the year of publication (see example above).

Quotations in the Text

In general, try and minimize quotations. Instead, try and re-write the statement in your own words. However, if you feel you cannot say the statement any better than what was written in the source, and you intend to directly quote an article, or author, use the following convention. Encapsulate the quote in quotation marks and italicize the quote so that it is easy seen.

- If the quotation is (at most) a couple of lines of text, then you may include it within a paragraph, and insert the source's page reference directly following the quote, e.g. (quote is bolded here)

'Within this period, the Bank of Canada noted that: "***There is no question but that interest rates as conventionally stated are very high. In terms of our history, they are at record levels.***" (Bank of Canada, 1979, pp. 3). The statement ...'

- If the quotation is a paragraph or more, then, block quote it as a separate paragraph, italicizing the text and including the reference at the end of the quote, e.g. (quote is bolded once again) 'The statement continues later with:

"... it has now become clear that ... a substantial rise in interest rates was also necessary in order to contain the rapidly expanding demand for money and credit in the domestic economy... it is my view that the actions taken by the Bank of Canada constitute a reasonable and prudent response to the potential inflationary damage that would be inflicted on the Canadian economy ..." (Bank of Canada, November 1979, pp. 9)

The statements above ...'.

Examples

Reference to a journal publication:

Griffiths, W., Judge, G. (1992), "Testing and estimating location vectors when the error covariance matrix is unknown", *Journal of Econometrics*, 54, pp. 121-138

[Note: Please note that journal names are not to be abbreviated.]

Reference to a book:

Maddala, G.S. (1983), *Limited Dependent and Qualitative Variables in Econometrics*, Cambridge: Cambridge University Press.

Reference to a chapter in an edited book:

Reinganum, J. (1989), "The timing of innovation: research development and diffusion", In Schmalansee, R., Willig, R. (Eds.), *Handbook of Industrial Organization*, Vol. I. Amsterdam: North-Holland, pp. 849-908.

GRADING RUBRIC

Content Quality

- Is the area of research that this paper is examining clearly stated?
- Is appropriate background information provided?
- Are summaries and findings of relevant articles included?
- Are they cited correctly?
- Is a summary of empirical method and analysis in the articles that you review included?
- Are appropriate data/statistics used to validate key points?
- Is the intuition behind what drives key results in these studies highlighted?
- Is language appropriate to topic?

Name _____

Criteria for Evaluating the Paper

Category (Max Points)			Score
Abstract (5)	Summarizes the topic or issue that the paper examines and provides an overview of the general direction research in the area has taken	Poor = More than 100 words used to summarize paper	
Introductory Section (10)	Effectively states what research in this area examines, motivates the research topic, and explains why it is important.	Poor = Limited motivation of research topic, why it is important and how it fits into the general literature	
Literature Review (30)	Weaves together the findings of existing studies related to the research topic being examined and explains how the literature has gone about addressing the question they examine. Includes outlines of different methodologies used to address the research questions, along with results. Compares and contrasts findings from different studies. Provides intuition behind what drives the results of different studies (as appropriate). At least 5 papers reviewed	Poor = lack of outline of methodologies used to study topic; limited comparison of findings from different studies. No intuition of what drives the results in different studies. Less than 5 papers reviewed.	
Conclusion (10)	Main results and findings from this line of research are clearly summarized and any general themes or consensus views are highlighted.	Poor = No summary of main points or ideas, no sense of finality are present.	
References & citations (5)	Citation and bibliographic method outlined above should be used.	Poor = More than 5 citation or referencing style errors	
Background (5)	Provides background information that explains key terms, concepts, programs, assumptions, etc. needed to understand the information in the paper.		
Organization (5)	Identifiable organizational pattern is used in developing the ideas found in the different papers that are being surveyed. Paper heading are organized in a way that easily highlights the direction of current research.		
Paragraph Structure (5)	Each paragraph exhibits a clear relationship between the topic sentence and supporting material.		
Language (5)	Word choice is appropriate. No 1 st or 2 nd person pronouns and no contractions, etc.		
Spelling (5)	Number of errors	Poor = More than 4 errors	
Punctuation (5)	Number of errors	Poor = More than 4 errors	
Grammar (5)	Number of errors	Poor = More than 4 errors	
Other (5)	Conforms to the instructions (page limit, font, etc.)		

Please include this grading rubric as a coversheet to your paper. It should go in front of the title page.