

Lutz Hendricks - UNC - Department of Economics

Econ520 - Advanced Macroeconomic Theory

Spring 2017 - Prof. Lutz Hendricks - Syllabus

For those planning / buying ahead: the texts will be

- Charles Jones. Introduction to Economic Growth, 3rd edition, 2013, ISBN-13: 978-0393919172.
 - The 2002 2nd edition is on reserve in the library. (Call number HD75 .J66 2002 c. 2). It is very similar to the 3rd edition.
- Olivier Blanchard. Macroeconomics (6th ed.). Prentice Hall. 2012. ISBN-13: 978-0133061635
 - The 2010 edition is on reserve (Call number HB172.5 .B573 2010)
- Older editions of both books are ok and could be a lot less expensive.

Class meets Tue, Thr 12:30-1:45, Philips 220.

Check this web site (www.lhendricks.org) regularly for updates. * It contains contact info, office hours, class times, exam dates, course outline, slides, etc.

Course objective:

Econ520 develops macroeconomic models and applies them to real world issues.

Topics include:

- Long-run growth.
- Cross-country income differences.
- The twin deficits: the government budget and the trade deficit.
- Fiscal policy.
- Open economy (exchange rates, transmission of shocks across countries).

Economies are complex systems. To understand them, it is necessary to write down **models**.

Models need not be mathematical; they could be computational. But in this course, since we want to develop an understanding how macro variables interact, the models will be

mathematical.

Grading:

Grades will be based on

- midterm (40%)
- final exam (45%)
- term paper (15%)

If a student misses an exam for a good reason, the remaining exam accounts for 85% of the course grade. If a student misses an exam without a good reason, he/she will receive a score of 0 on that exam. There are **no make-up exams**.

Each exam focuses on the material covered since the last exam. However, as new material builds on previously covered material, anything covered in the course up to the date of the exam is fair game.

Cutoffs for letter grades are posted on the website. There will be fractional grades (e.g. A-). Letter grade cutoffs are: A: 85, B: 70, C: 55, D: 45.

How to Study for This Class

Much of our time will be spent on analyzing models. There is only one way to learn how to do this: solve lots of **practice problems**.

You will find such problems for each topic we cover posted on the course web page. The exam questions will be similar in nature but tend to be shorter than the practice problems.

If you feel that you are falling behind or if you have trouble with the practice problems, come to my **office hours** (listed on my web page).

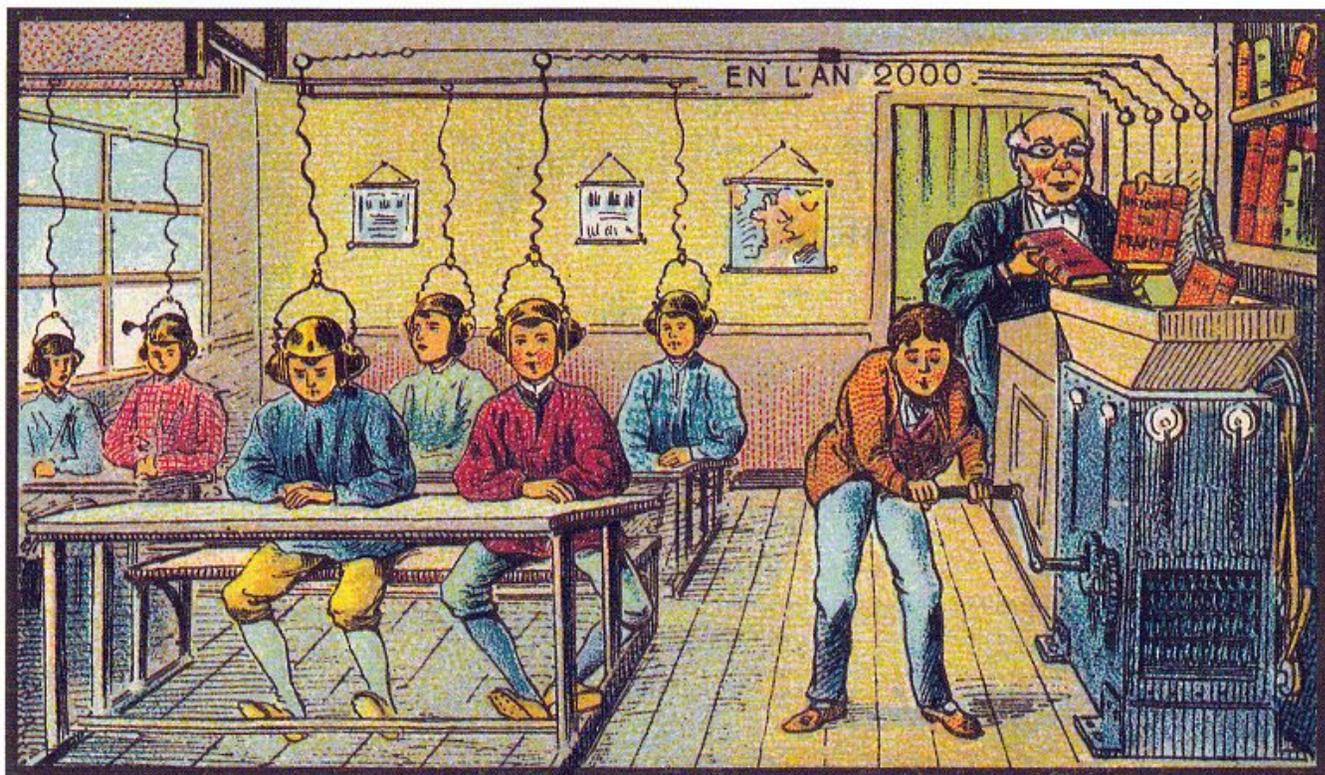
You should also **read** the textbook sections corresponding to the material we study in class. Additional reading material is listed at the end of the slides.

A note on studying and classroom participation:

The picture below shows Jean-Marc Cote's vision of the classroom in the year 2000.

Unfortunately, this is not how it works...

It is extremely important that you work through the practice problems for each section of the course. Also look at previous exams. If you find that you have trouble with these questions, come to my office hours.



At School

The classroom in 2000

Feedback

You can help improve this course by letting me know what you like and what you don't like. Drop me an e-mail or come to my office. Feel free to suggest topics you would like to discuss in class.

Policies

Please be on time when coming to class. Turn off your cell phones.

Prerequisites

Students must have passed Econ420 (Intermediate Macroeconomics). Basic calculus (derivatives) will be needed. If you are not comfortable with math or models, this is not the right course for you.

Students should work through the math review problems posted on the course web site as soon as possible.

Special consideration

Students will not be granted special consideration if they have attempted a piece of assessment and then ask for special consideration. Unless it is impossible for you to do so,

you must contact your lecturer before the assessment is due if you expect to miss an assessment task. Failure to do this will weaken your case.

Final exams can only be rescheduled by the Academic Dean. If you have a conflict, you need to contact him/her.

Past exams

(material in early years differs substantially from current year):

- 2016 Spring: Midterm, final
- 2015 Spring: exam1, exam2, final
- 2013 Fall: exam1, exam2, final.
- 2012 Fall: exam1, exam2, final.
- 2012 Spring: exam1, exam2, final.
- 2010 (course title was Econ499): exam1, exam2, final.

If you want to read about current economic issues:

- baselinescenario.com by Simon Johnson and James Kwak