



ADVANCED MACROECONOMIC THEORY

Econ520-001 Fall 2023

The University of North Carolina at Chapel Hill



COURSE INFORMATION

Credit Hours: 3

Pre or Co-Requisites: ECON 400, 410, and 420; a grade of C or better in ECON 400 and 410 is required.

Target Audience: Economics majors

Meeting Pattern: MWF 2:30-3:45pm

Instructional Format: in-person

Classroom or Location: Gardner 209

INSTRUCTOR INFORMATION

Name: Lutz Hendricks

Email Address: lhendri@econ.unc.edu

Office Location: Gardner 06C

Office Hours: MW 12:30 to 1:30 pm



COURSE CONTENT

Course Description

This course will emphasize theoretical and empirical topics such as growth, labor search, Phillips curves, stagflation, and optimal government policy.

Course Texts & Materials

Olivier Blanchard. [Macroeconomics, 8th ed., Pearson](#) (ISBN-13: 9780136713883)

- Older editions of both books are ok and could be a lot less expensive.
- Ebooks are an affordable alternative. You will not need the MyLab access.

Charles Jones. Introduction to Economic Growth, 3rd edition, 2013, ISBN-13: 978-0393919172.

- The 2nd edition is very similar to the 3rd edition. Optional.

Course Goals & Student Learning Outcomes (SLOs)

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

Topics include:

- Fiscal policy.



- Monetary policy.
- Open economy (exchange rates, transmission of shocks across countries).
- Long-run growth.

Economies are complex systems. To understand them, it is necessary to work with mathematical models. Models help us track how macro variables interact through time. It is important that students are comfortable with the idea of studying the world through models.



COURSE ASSIGNMENTS & ASSESSMENTS

Assignment Descriptions

Midterm exam

October 16. 40 percent of the course grade.

Final exam

December 8, 4pm. 45 percent of the grade. 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.

Writing assignments

Three written assignments of about 4 pages each. Each accounts for 5 percent of the course grade. Topics and due dates are shown in the class schedule.

Grading Scale & Schema

Late Work

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, they will receive a score of 0 on that exam.

Grading Scale

Numeric Grade (%)	Letter Grade
85+	A
80+	A-
75+	B+
70+	B
65+	B-
60+	C+
55+	C
50+	C-
45+	D+
40+	D
39.9 and below	F

Table a: Grading Scale Table





POLICY STATEMENTS

Academic Policies

University Class Attendance Policy

University Policy: As stated in the University's [Class Attendance Policy](#), no right or privilege exists that permits a student to be absent from any class meetings, except for these University Approved Absences:

1. Authorized University activities: [University Approved Absence Office \(UAAO\) website](#) provides information and [FAQs for students](#) and [FAQs for faculty](#) related to University Approved Absences
2. Disability/religious observance/pregnancy, as required by law and approved by [Accessibility Resources and Service](#) and/or the [Equal Opportunity and Compliance Office](#) (EOC)
3. Significant health condition and/or personal/family emergency as approved by the [Office of the Dean of Students](#), [Gender Violence Service Coordinators](#), and/or the [Equal Opportunity and Compliance Office](#) (EOC).

Instructors may work with students to meet attendance needs that do not fall within University approved absences. For situations when an absence is not University approved (e.g., a job interview, illness/ flu or club activity), instructors are encouraged to work directly with students to determine the best approach to missed classes and make-up assessment and assignments.

Honor Code Statement

All students are expected to follow the guidelines of the UNC Honor Code. In particular, students are expected to refrain from "lying, cheating, or stealing" in the academic context. If you are unsure about which actions violate the Honor Code, please see me, or consult studentconduct.unc.edu.

Syllabus Changes

The instructor reserves the right to make changes to the syllabus including project due dates and test dates. These changes will be announced as early as possible.

Acceptable Use Policy

By attending the University of North Carolina at Chapel Hill, you agree to abide by the University of North Carolina at Chapel Hill policies related to the acceptable use of IT systems and services. The Acceptable Use Policy (AUP) sets the expectation that you will use the University's technology resources responsibly, consistent with the University's mission. In the context of a class, it's quite likely you will participate in online activities that could include personal information about you or your peers, and the AUP addresses your obligations to protect the privacy of class participants. In addition, the AUP addresses matters of others' intellectual property, including copyright. These are only a couple of typical examples, so you should consult the full [Information Technology Acceptable Use Policy](#), which covers topics related to using digital resources, such as privacy, confidentiality, and intellectual property. Additionally, consult the [Safe Computing at UNC](#) website for information about data security policies, updates, and tips on keeping your identity, information, and devices safe.

Data Security & Privacy

[UNC-Chapel Hill Privacy Statement](#): Sakai's Discussion Forum, Assignments, DropBox, Gradebook, and Tests & Quizzes tools are designed to share FERPA-protected information privately between instructors and individual students.

Grade Appeal Process

If you have any concerns with grading and/or feel you have been awarded an incorrect grade, please discuss it with me as soon as possible. If we cannot resolve the issue, you may talk to our director of undergraduate studies or department chair.

Services & Student Support Policies

Accessibility Resources & Services (ARS)

[Accessibility Resources and Service](#) (ARS – ars@unc.edu) receives requests for accommodations, and through the Student and Applicant Accommodations Policy determines eligibility and identifies reasonable accommodations for students with disabilities and/or chronic medical conditions to mitigate or remove the barriers experienced in



accessing University courses, programs and activities. ARS also offers its Testing Center resources to students and instructors to facilitate the implementation of testing accommodations. Faculty and instructors with any concerns or questions about accommodations and/or their implementation, are invited to [reach out to ARS](#) to discuss.

Counseling & Psychological Services (CAPS)

UNC-Chapel Hill is strongly committed to addressing the mental health needs of a diverse student body. The [Heels Care Network](#) website is a place to access the many mental health resources at Carolina. CAPS is the primary mental health provider for students, offering timely access to consultation and connection to clinically appropriate services. Go to their website <https://caps.unc.edu/> or visit their facilities on the third floor of the Campus Health building for an initial evaluation to learn more. Students can also call CAPS 24/7 at 919-966-3658 for immediate assistance.

Title IX Resources

Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Reports can be made online to the EOC at <https://eoc.unc.edu/report-an-incident/> or by contacting the University's Title IX Coordinator (Elizabeth Hall, titleixcoordinator@unc.edu) or the Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu). Confidential resources include Counseling and Psychological Services and the Gender Violence Services Coordinators (gvsc@unc.edu). Additional resources are available at safe.unc.edu.

Policy on Non-Discrimination

The University is committed to providing an inclusive and welcoming environment for all members of our community and to ensuring that educational and employment decisions are based on individuals' abilities and qualifications. Consistent with this principle and applicable laws, the University's [Policy Statement on Non-Discrimination](#) offers access to its educational programs and activities as well as employment terms and conditions without respect to race, color, gender, national origin, age, religion, genetic information, disability, veteran's status, sexual orientation, gender identity or gender expression. Such a policy ensures that only relevant factors are considered, and that equitable and consistent standards of conduct and performance are applied. If you are experiencing harassment or discrimination, you can seek assistance and file a report through the Report and Response Coordinators (email reportandresponse@unc.edu or see additional contact info at safe.unc.edu) or the Equal Opportunity and Compliance Office at <https://eoc.unc.edu/report-an-incident/>.

Diversity Statement

I value the perspectives of individuals from all backgrounds reflecting the diversity of our students. I broadly define diversity to include race, gender identity, national origin, ethnicity, religion, social class, age, sexual orientation, political background, and physical and learning ability. I strive to make this classroom an inclusive space for all students. Please let me know if there is anything I can do to improve. I appreciate any suggestions.

Undergraduate Testing Center

The College of Arts and Sciences provides a secure, proctored environment in which exams can be taken. The center works with instructors to proctor exams for their undergraduate students who are not registered with ARS and who do not need testing accommodations as provided by ARS. In other words, the Center provides a proctored testing environment for students who are unable to take an exam at the normally scheduled time (with pre-arrangement by your instructor). For more information, visit <http://testingcenter.web.unc.edu/>.

Learning Center

Want to get the most out of this course or others this semester? Visit UNC's Learning Center at <http://learningcenter.unc.edu> to make an appointment or register for an event. Their free, popular programs will help you optimize your academic performance. Try academic coaching, peer tutoring, STEM support, ADHD/LD services, workshops and study camps, or review tips and tools available on the website.

Writing Center

For free feedback on any course writing projects, check out UNC's Writing Center. Writing Center coaches can assist with any writing project, including multimedia projects and application essays, at any stage of the writing process. You



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don't even need a draft to come visit. To schedule a 45-minute appointment, review quick tips, or request written feedback online, visit <http://writingcenter.unc.edu>.

Class Schedule

- Aug–21 (Mon): [Introduction](#), [IS-LM model](#) (each of these links leads to the slides that were used in class)
- Aug–23 (Wed): [IS/LM Equilibrium](#)
- Aug–28 (Mon): IS/LM Equilibrium (cont.)
- Aug–30 (Wed): [IS/LM Monetary Policy](#)
- Sep–4 (Mon): Labor day

Medium Run

- Sep–6 (Wed): [Labor market](#)
- Sep–11 (Mon): Labor market (continued) | [Assignment 1 due](#)
- Sep–13 (Wed): [AS-AD model](#)
- Sep–18 (Mon): AS-AD model (continued)
- Sep–20 (Wed): AS-AD model (continued)
- Sep–25 (Mon): Wellness day
- Sep–27 (Wed): [Inflation and unemployment](#)
- Oct–2 (Mon): [Inflation expectations and monetary policy](#)
- Oct–4 (Wed): [Fiscal Deficits](#)

Open Economy

- Oct–9 (Mon): [Trade deficits](#)
- Oct–11 (Wed): Midterm exam
- Oct–16 (Mon): Trade deficits (contd.) | [Assignment 2 due](#)
- Oct–18 (Wed): [IS-LM model](#)
- Oct–23 (Mon): [IS-LM floating exchange rate](#)
- Oct–25 (Wed): [IS-LM fixed exchange rate](#)
- Oct–30 (Mon): [AS-AD model: fixed exchange rate](#), [Policy analysis: fixed exchange rate](#)
- Nov–1 (Wed): [Floating exchange rate model](#), [Choice of exchange rate regime](#)
- Nov–6 (Mon): [Costs and benefits of international trade](#)

Long-run Growth

- Nov–8 (Wed): [Growth facts](#)
- Nov–13 (Mon): [Methods for identifying causes and effects](#)
- Nov–15 (Wed): [Institutions | Assignment 3 due](#)
- Nov–20 (Mon): [Solow model](#), [Solow diagram](#)
- Nov–22 (Wed): Thanksgiving
- Nov–27 (Mon): [Solow Applications](#)
- Nov–29 (Wed): [Romer model](#), [Policy implications](#)
- Dec–4 (Mon): Last class. All questions answered! (or almost all...). A [Model summary](#) may be useful for your review.