

# Econ520 - Advanced Macroeconomic Theory

**Prof. Lutz Hendricks - UNC - Spring 2012**

**Course web site:** <http://www.lhendricks.org>. Contains contact info, office hours, class times, exam dates, course outline, slides, etc.

**Course objective:** Econ520 analyzes long-run issues facing the U.S. and other economies. Topics include:

- Long-run growth.
- Cross-country income differences.
- The twin deficits: the government budget and the trade deficit.
- The decline in the U.S. saving rate.
- The evolution of U.S. income and wealth inequality.

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.

**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.

**Grading:** Grades will be based on three equally weighted **exams**. For each student, the two highest scores each account for 40% of the grade. The lowest score accounts for the remaining 20%. If a student misses an exam *for a good reason*, both exams accounts for half of the grade. **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-). Their cutoffs will be determined at the end of the course.

I will post practice problems that help students prepare for the exams. The exam questions will similar in nature but tend to be shorter than the practice problems.

**Reading:** Reading material is listed at the end of the slides.

Some of the material is not covered by standard textbooks. Some of the reading material may be challenging. You are not required to understand all the details of the readings. Their purpose is to help you better understand the material discussed in class.

**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.

**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.