



Hankuk University of Foreign Studies

2020 Summer Session

ECON 202 Intermediate Macroeconomics

Course Outline

Term: July 06-August 07, 2020

Class Hours: 14:00-15:50 (Monday through Friday)

Course Code: ECON 202

Instructor: Eric McDermott

Home Institution: University of Illinois at Urbana-Champaign

Office Hours: By Appointment

Email: emcd@illinois.edu

Credit: 4

Class Hours: This course will have 72 class hours, including 40 lecture hours, 10 lecturer office hours, 10-hour TA discussion sessions, 2-hour review sessions, 10-hour extra classes.

Course Description:

This course provides an overview of the tools of modern macroeconomic theory. Students will gain an understanding of these tools as well as what their limits are and how they can be applied to policy issues. Students will learn how to set up and solve economic models both by hand and by using software such as Excel.

Academic Dishonesty:

Academic Dishonesty will not be tolerated. Students are encouraged to work with others on homework and when preparing for exams.

Course Objectives:



- Students will be “economically literate” and fully able to engage in policy discussions related to the economy.
- Students will have a thorough understanding of some of the base models and tools that are the basis for modern macroeconomic theory.
- Students will be able to understand the differing effects policies can have on different people throughout the distribution and when policy decisions can and cannot be objectively said to be optimal.
- Students will develop critical thinking and analytical skills through the development of hypotheses in response to puzzles in economic theory.

Required Textbooks:

I will also assign readings from two online textbooks that are available for free and will be posted online.

ONLINE TEXT 1: Selected chapters from *Macroeconomics* by Parente and Prescott.

ONLINE TEXT 2: *Macroeconomics* by Doepke, Lehnert, and Sellgren.

<http://faculty.wcas.northwestern.edu/~mdo738/book.htm>

Prerequisites:

Principles or Microeconomics or Principles of Macroeconomics

Introductory Calculus course (Calculus I or equivalent)

Grading & Evaluation:

Midterm 40%

Final Exam 40%

Homework 20%

Assignments and exams may be curved but the curve will not in any way reduce the grade of any student. All students are expected to attend and participate in all class sessions.

Plus/Minus Grade Cutoffs

A+ ≥ 97	B+ ≥ 87	C+ ≥ 77	D+ ≥ 67	60 > F
97 > A ≥ 93	87 > B ≥ 83	77 > C ≥ 73	67 > D ≥ 63	
93 > A- ≥ 90	83 > B- ≥ 80	73 > C- ≥ 70	63 > D- ≥ 60	



Course Schedule

(*This schedule is tentative and subject to change depending on the pace of the class but I will notify all students of any changes).

Week 1: Measurement and Optimization

Session 1: Economic measurement

Session 2: Growth accounting

Session 3: Constrained optimization

Session 4: TA review session

Week 2: Solow Growth Model

Session 5: Solow model with steady state 1

Session 6: Solow model with steady state 2

Session 7: Solow model with exogenous growth

Session 8: TA review session

Week 3

Session 9: Midterm Exam

Session 10: Two period models, with and without Overlapping Generations

Session 11: HP Filter and Neoclassical Growth Model intro

Session 12: TA review session

Week 4

Session 13: Neoclassical Growth Model intro

Session 14: RBC model intro

Session 15: Lucas Tree paper and Asset Pricing intro

Session 16: TA review session

Week 5

Session 17: General equilibrium model

Session 18: Financial Crisis

Session 19: Final Exam (not cumulative)