Econ 420 Intermediate Theory: Money, Income, & Employment
UNC at Chapel Hill
Economics Department
Fall 2008

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Course Information: Lecture Section 03  T,R 12:30pm-1:45pm Gardner Hall 07
Lecture Section 06  T,R 9:30am-10:45am Gardner Hall 307
Office Hours:  T,R 2:00pm-3:00pm Gardner Hall Room 06A

Required Text:  Macroeconomics by Olivier Blanchard, 5th ed.

Students can not receive credit for both Econ 320 and Econ 420. Visit blackboard.unc.edu for complete course details.

Goal of Course: The goal of this course is to provide you with the tools necessary to analyze critically current events within the rubric of major schools of macroeconomic thought. We will address three objectives to achieve this goal. First, we will introduce you to the various types, sources, and meaning of major macroeconomic data series. Second, we will explore the structure and myriad assumptions underlying popular economic models. The course will place special emphasis on the Classical, Keynesian, and Growth Theories. Lastly, we will use this data and these theories to evaluate the economy’s response to exogenous shocks, such as changes in fiscal, monetary, and trade policy. Whenever possible, we will explore more advanced topics such as rational expectations, the micro foundations of consumption and investment, and others.

By the end of the course you should be able to provide informed responses to questions such as: Are we in a recession? Should the government lower tax rates? How might actions by the “Fed” impact me? Do the arguments reported in the press regarding economic events make sense in light of the major schools of economic thought?

The course will place special emphasis on evaluating the current state of the economy. Regular reading of the financial news via the Wall Street Journal or the like is recommended highly. The text for the course will provide a rough guide of the topics we will cover. However, lectures will provide much supplemental material. The syllabus is subject to change. The honor code is in effect.
Tentative Course Outline:

- Introduction and Macroeconomic Data
- Classical Theory
- Keynesian Theory
- Growth Theory

Grading:

Final Exam (35%) The Final Exam will be a 3-hour in-class cumulative exam on 12/12/08 @ 12pm for Section 03, and 12/12/08 @ 8am for Section 06. Missing the Final Exam without a valid excuse from the Dean will result in a zero exam score.

Homework (30%) There will be four homework assignments. Homework assignments are due on the scheduled dates. Assignments will consist of solving mathematical problems as well as providing interpretation. No late assignments will be accepted. Missing homework will result in a zero score for the assignment. I encourage collaboration, but each student must turn in their own work.

Midterm Exam (25%) There will be an in-class exam on 10/14/08. There will be no ‘make-up’. Missing the exam will result in a re-weighting such that 65% of your Final Exam grade will be used as your grade for this exam.

Macro-Journal (10%) Each week you must log into Blackboard and answer a series of questions regarding the current state of the U.S. economy. You will be asked to provide an assessment of various aspects of the economy (i.e. overall activity, consumer spending, etc...). A logical and coherent argument based on the principles learned in class is critical. Journal entries are due on the scheduled dates. No late assignments will be accepted. Missing a Journal entry will result in a zero score for the assignment. I encourage collaboration, but each student must turn in their own work.