

ECON 501

Course Syllabus

Title of Class **Macroeconomics**

Credits: 4 graduate hours

Semester: Spring 2024

Meeting Times: Lectures Monday, Wednesday 11:00-12:20 PM 123 DKH
Recitation Friday 12:30-1:50 123 DKH

Instructor: Stephen Parente

Email: parente@illinois.edu

Office Hours: T, Th 1:30-2:30 205D DKH

Teaching Assistant: Rong Yuwen

Email: Ryuwen2@illinois.edu

Office Hours: M,W 12:30-1:30, Tuesday 2:00-3:00, Thursday 9:00-10:00 110 DKH

Course Description This course introduces students to some important macroeconomic models and the quantitative methodology known as model calibration for the purpose of gaining insight into a number of interesting issues in growth, public finance, and business cycles. These models are fully modern in that they are dynamic, grounded on microeconomic theory, and employ general equilibrium analysis. These models will be calibrated for either the purpose of testing theory or evaluating policy.

Prerequisites There are no official prerequisites for the course besides the math camp. Nevertheless, some prior training in calculus and microeconomics are useful.

Learning Outcomes

The course seeks to develop critical thinking, Analytical Skills and Problem Solving and Quantitative reasoning particularly by using model calibration. The hope is that after this course you will have a sufficiently developed understanding of macro model and the ability to evaluate the plausibility of macroeconomic policies that are being considered by politicians.

Learning Resources

Textbooks and class materials There is no textbook, as none exists that presents the growth model and business cycle theory adequately. I have created my own chapters. They are basis for the material that I will lecture on. For some topics, there are some relevant articles. My lecture chapters as well as any relevant articles are posted on Canvas website in the appropriate module.

Each module in Canvas contains a page with videos I made when the course was taught on -line (Spring 2021 Semester). The videos are not meant to be a substitute for class; while the main topic in the video corresponds to the class, the materials are not identical. This is to say that if you just watch the videos, you are sure to miss some relevant material that will be part of the exams. The best way to approach the videos is a supplementary material that will allow you to better understand what is presented in class.

Learning Management System The course is being administered through Canvas. That is to say that everything you need for the course is posted there. The topics for the course are organized as module. Each Module will contain the reading material, assignments, and old videos.

Important Dates:

No Classes/Recitations

Field Trip to Caterpillar Friday February 16

Spring Break March 9-17th

Last Day of Classes Wednesday May 1

Exam Dates

Midterm Exam I (In class) Approximately the 4th or 5th week of semester. Units 1-2.

Midterm Exam II. (In class) Approximately the 9th or 10th week of the Semester Units# 3-5

Final Exam scheduled 8:00-11:00 AM Friday Thursday May 9 Units #6-8.

Course Policies

Assignment Policy: Due dates for each assignment are posted on Canvas. Submissions will be done through Canvas. There will be approximately 13 homework assignment. Five of these will be randomly chosen and graded rigorously according to a 0-100 point scale. The others will not and instead receive either a satisfactory or non-satisfactory mark. Assignments submitted after the due date will be marked as unsatisfactory, or if corresponding to one of the five rigorously graded assignments will have a 20% penalty. Assignments that are not submitted will be entered in the gradebook as a zero.

Class Discussion Points and Policy: It is hoped that the course will be an interactive one, where students feel free to ask questions in participate in any discussions. Contributing to the class in these ways will be taken into account in a positive way in computing your final grade. Your grade will not be lowered if you choose not to participate in the class discussion.

Class Quiz Policy: Surprise quizzes are possible, but are not frequent.

Exam Policy: Exams are in-person and are open-book. No electronic devices including phones, laptops, calculators are allowed. The two midterms will take place during the usual class period. The day and time for final exam are set by the University.

Student Assessment

Your course grade will be based on three exams (two midterms and a final), numerous out of class assignments, and potentially some quizzes. The three exams have equal weight with each contributing 25 percent to your total grade. The problem sets and quizzes will contribute the remaining 25 percent. Of this 25%, 10% corresponds to the five assignments rigorously graded. The other 15% corresponds to the assignments marked as satisfactory and non-satisfactory and the quizzes. In determining your course grade, other factors such as class participation may be considered in a non-detrimental way. Quizzes need not be announced.

Grading

Final Course Grades are assigned based on total weighted points according to a curve where roughly $\frac{1}{4}$ of the class receives an A, $\frac{1}{4}$ receives an A-, $\frac{1}{4}$ receives a B+ and the rest receive a B grade or lower.

Academic Assistance

Students are encouraged to utilize the many resources we have throughout campus to assist with academics. We recommend that you seek them out starting early in the semester, not just in times of academic need, in order to develop good study habits and submit work which represents your full academic potential. Many resources are found on the Economics Website including details about the Economics Tutoring Center, Academic Advising, and other academic support options:

<https://economics.illinois.edu/academics/undergraduate-program/academic-student-support>

Academic Integrity

According to the Student Code, 'It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions.' Please know that it is my responsibility as an instructor to uphold the academic integrity policy of the University, which can be found here: <https://studentcode.illinois.edu/article1/part4/1-401/>

Academic dishonesty may result in a failing grade. Every student is expected to review and abide by the Academic Integrity Policies. It is your responsibility to read this policy to avoid any misunderstanding. Do not hesitate to ask the instructor(s) if you are ever in doubt about what constitutes plagiarism, cheating, or any other breach of academic integrity. **Read the full Student Code at** <https://studentcode.illinois.edu/>

Students with Disabilities

To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@illinois.edu. DRES Website: www.disability.illinois.edu/

Community of Care

As members of the Illinois community, we each have a responsibility to express care and concern for one another. If you come across a classmate whose behavior concerns you, whether in regards to their well-being or yours, we encourage you to refer this behavior to the Student Assistance Center (217-333-0050 or <http://odos.illinois.edu/community-of-care/referral/>). Based on your report, the staff in the Student Assistance Center reaches out to students to make sure they have the support they need to be healthy and safe. Further, we understand the impact that struggles with mental health can have on your experience at Illinois. Significant stress, strained relationships, anxiety, excessive worry, alcohol/drug problems, a loss of motivation, or problems with eating and/or sleeping can all interfere with optimal academic performance. We encourage all students to reach out to talk with someone, and we want to make sure you are aware that you can access mental health support at the Counseling Center (<https://counselingcenter.illinois.edu/>) or McKinley Health Center (<https://mckinley.illinois.edu/>). For mental health emergencies, you can call 911 or walk into the Counseling Center, no appointment needed.

Disruptive Behavior

Behavior that persistently or grossly interferes with classroom activities is considered disruptive behavior and may be subject to disciplinary action. Such behavior inhibits other students' ability to learn and an instructor's ability to teach. A student responsible for disruptive behavior may be required to leave class pending discussion and resolution of the problem and may be reported to the Office for Student Conflict Resolution for disciplinary action.

Emergency Response Recommendations

Emergency response recommendations can be found at the following website:

<http://police.illinois.edu/emergency-preparedness/>. I encourage you to review this website and the campus building floor plans website within the first 10 days of class. <http://police.illinois.edu/emergency-preparedness/building-emergency-actionplans/>.

Religious Observances

The Religious Observance Accommodation Request form is available at <https://odos.illinois.edu/community-of-care/resources/students/religious-observances/>. Submit the form to the instructor and to the Office of the Dean of Students (helpdean@illinois.edu) **by the end of the second week of the course**; in the case of exams or assignments scheduled after this period, students should submit the form to the instructor and to the Office of the Dean of Students as soon as possible.

Family Educational Rights and Privacy Act (FERPA)

Any student who has suppressed their directory information pursuant to Family Educational Rights and Privacy Act (FERPA) should self-identify to the instructor to ensure protection of the privacy of their attendance in this course. See <http://registrar.illinois.edu/ferpa> for more information on FERPA. Student information and records will not be released to anyone other than the student unless the student has provided written approval or as required by law.

Sexual Misconduct Reporting Obligation

The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options. A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found here:

<http://www.wecare.illinois.edu/resources/students/#confidential>.

Other information about resources and reporting is available here: <http://wecare.illinois.edu/>.

Student Support

The Counseling Center is committed to providing a range of services intended to help students develop improved coping skills in order to address emotional, interpersonal, and academic concerns. Please visit their website to find valuable resources and services: <https://counselingcenter.illinois.edu/>.

Counseling Center Information: 217-333-3704

Location: Room 206, Student Services Building (610 East John Street, Champaign IL)

McKinley Mental Health Information: 217-333-2705

Location: 3rd Floor McKinley Health Center 1109 South Lincoln, Urbana, IL

Emergency Dean: The Emergency Dean may be reached at (217) 333-0050 and supports students who are experiencing an emergency situation after 5 pm, in which an immediate University response is needed and which cannot wait until the next business day. The Emergency Dean is not a substitute for trained emergency personnel such as 911, Police or Fire. If you are experiencing a life threatening emergency, call 911. Please review the Emergency Dean procedures: <http://odos.illinois.edu/emergency/>

Academic Dates and Deadlines

Students should make note of important academic deadlines for making changes to their courses (add, drop, credit/no-credit, grade replacement, etc.). <https://registrar.illinois.edu/academic-calendars>

Please check with your academic department regarding specific procedures and policies.

Course Schedule (subject to change with advance notice)

Week/Unit	Topic	Date
1 Unit 1	History of Macroeconomics	January 17
1-2 Unit 2	Solow Growth Model	Jan 19, 22, 24
3 Unit 2	National Accounting	January 29, 31
4 Unit 2	Calibration	February 5, 7
5-6 Unit 3	Labor Leisure	February 12, 14, 19
6-7 Unit 4	Savings, Wealth & Govt. Finance	February 21, 26, 28
9-10 Unit 5	Neoclassical Growth Model	March 4, 6, 11
10-11 Unit 6	Business Cycle Facts	March 18, 20
12-13 Unit 7	Real Business Cycle Theory	March 25, 27, April 1, 3
14-16 Unit 8	New Keynesian DSGE	April 8, 10, 15, 17, 22, 24, 29