Econ 501               General Macroeconomic Theory
Fall 2021               M,W  12:30-1:50 166 Bevier
4 Credits

Stephen L. Parente
Phone: 244-3625
e-mail: parente@illinois.edu
Office: 118 DKH
Office Hours:  Tuesday, Thursday 8:00-9:00  Link for Office Hours Sign Up
Compass2 Link to Course Material:  https://compass2g.illinois.edu/

T.A. Sofiia Dunets
Office:  110 DKH
Office Hours:  Monday-Thursday  3:00-4:00 PM
https://calendly.com/sdunets2/office-hours
Recitation:  Fridays, 12:30-1:50  166 Bevier

Course Format
All lectures are to be in person. However, in the case that Covid re-emerges, or that I am traveling
to a conference, we shall use the Zoom Format.

To Join Zoom Lectures
Link to Join Zoom Lectures
Meeting ID: 870 9559 0077
Password: 386001

Zoom Office Hours. Office hours will be done via Zoom unless otherwise stated in class. Sign
up for office hour slots (15 minutes) (either via Zoom or in person), will actually be done via
Calendly. See link above

To Join Zoom Office Hours
Link to Zoom Office Hours
Meeting ID: 852 3594 9838
Password: 523912

COURSE OBJECTIVE
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.

This course has sprung forth out of my and others’ displeasure with the way Macroeconomics is
taught at the masters and undergraduate levels. A necessary condition for a society to be well
governed is having an educated citizenry. This means that people like you have to be able to
evaluate alternative polices that are being proposed. By the end of the course, the hope and
expectation is that you will be better at this than most in Washington DC, Brussels or Strasburg.
A world with better macro economic policies would be a much “nicer” place to live.
READINGS
There is no textbook, as none exists that presents the growth model and business cycle theory adequately. There will be readings in the form of typed lecture notes as well as published papers. All lecture notes and articles are posted on the Compass2 website.

RECITATIONS
Recitations are an important component of the course. They will serve many roles: they will be used to address any questions you may have about the main lecture material; they will be used to continue or elaborate on the lecture material; they will serve as a format to explain the home projects; and they will go over the solutions to assigned problems and past exam questions.

GRADING
Your course grade will be based on a midterm exam, a final exam, numerous out of class assignments, and potentially some quizzes. The midterm will contribute 40 percent each; the final will contribute 40 percent; and the problem sets the remaining 20 percent. In determining your course grade, other factors such as class participation may be considered in a non-detrimental way. Quizzes need not be announced.

Problem Sets: Some of the out-of-class assignments require the use of Excel or some other spreadsheet. Others are based on interactive computer programs that have been written by the TAs. Others are in the form of traditional problem sets. All homework assignments and codes will be made available on the Compass2 webpage. Due Dates are listed on the Compass2 Webpage. To reduce waste, I will not hand out any hard copies.

Exams: The First midterm will occur after we finish the growth and development component of the course. This will be around the third week of October. The final exam will cover the materials in Parts II and III in the course schedule/topics list. The date for the final is December 10th from 8:00-11:00 AM.

ACADEMIC DISHONESTY-
The University takes serious violations of academic dishonesty. The penalty for Academic dishonesty will be an F for the particular assignment/exam and potentially an F for the course. Students are advised to consult the LAS Student Handbook for definitions of academic dishonesty.

Disability Accommodations - 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@uiuc.edu.

Emergency Planning Emergency Response Recommendations
The Department of Homeland Security and the University of Illinois at Urbana-Champaign Office of Campus Emergency Planning recommend the following three responses to any emergency on campus: RUN > HIDE > FIGHT
Only follow these actions if safe to do so. When in doubt, follow your instincts—you are your own best advocate!
Important University Dates:
Labor Day Vacation: 9/6
Fall Break 11/20 - 11/28
Last Day of Classes 12/8
Final Exam December 10th 8:00-11:00 AM
# Course Outline and Readings

## Topic/Lecture Notes

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<th>Topic/Lecture Notes</th>
<th>Dates (Approximate)</th>
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<td>Transformation of Macroeconomics</td>
<td>August 23</td>
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<tr>
<td><strong>Part I</strong></td>
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<tr>
<td>Calibration Example Using Solow Growth Model</td>
<td>August 25, 30, Sept 1,3</td>
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<td>Growth and Development Facts</td>
<td>September 8</td>
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<td>Endogenous Growth</td>
<td>September 13, 15</td>
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<td>The Malthus Model</td>
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<td>Unified Growth Theory</td>
<td>September 27</td>
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<td>Proximate and Fundamental Causes Differences</td>
<td>September 29, October 4</td>
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<td>Growth and Climate Change *</td>
<td>October 6</td>
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<tr>
<td><strong>Part II</strong></td>
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<td>Labor/Leisure and Work Hour Differences</td>
<td>October 11, 13</td>
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<td>Savings, Wealth and Government Finance</td>
<td>October 18, 20</td>
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<td>Overlapping Generations Approach: Pension Reform</td>
<td>October 25, 27</td>
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<td>Dynastic Approach: Tax Reform</td>
<td>November 1, 3, 8</td>
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<td><strong>Part III</strong></td>
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<td>Business Cycle Facts</td>
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<td>Real Business Cycle Theory</td>
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<td>Monetary Business Cycle Theory</td>
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