

# Econ 20200: Elements of Economic Analysis III

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University of Chicago

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## Logistics

**Lecture:** Tuesdays and Thursdays, 9:30-10:50 AM, Stuart Hall 101

**Discussion Session:** Mondays, 4:30-5:20 PM, Pick Hall 016

**Instructor:** Lun Li

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**Office Hours:** Fridays, 8:30-10:30 AM, SHFE 201

**Teaching Assistant:** Suleyman Gozen

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**Office Hours:** Tuesdays, 2:00-3:00 PM, SHFE 201

**Prerequisites:** ECON 201 and ECON 199 (or strong previous course work in macroeconomics)

## Overview

This course is the first macroeconomics course in the core. Building on the models and methodologies developed in ECON 200/201, we will develop frameworks to study income, production, spending, labor and money. The objective of the course is to train students further in rigorous economic modeling and its applications so that they can understand and analyze various macroeconomic issues such as growth, business cycle, unemployment, inflation, and asset pricing. To make the subject matters more relevant and practical, students are strongly encouraged to read the Wall Street Journal and the Economist regularly to keep up with current events.

## Texts

Barro, Robert J. *Macroeconomics: A Modern Approach*, Thomson Smith-Western, 2008. (Barro)

Doepke, Matthias, Andreas Lehnert, and Andrew W. Sellgren, *Macroeconomics*, 1998. (DLS)

(Optional) *The Wall Street Journal*, student subscription available [online](#).

**Note:**

Barro's textbook is available at the bookstore. I have also put a copy on course reserve. Relevant chapters from DLS will be distributed electronically. You may also purchase a binded and covered version of DLS in the Social Science building.

## Formal Requirements

**Problem Sets.** There will be 6-7 problem sets, which can be submitted in groups of three people (or fewer). The problem sets will be due at the beginning of lectures, as physical copies only. Late submissions and/or electronic copies emailed to the instructor or TA will not be accepted.

**Midterm.** The midterm will be held during lecture, tentatively on April 26th, 2018.

**Final Exam.** The location and time of the final exam will be announced by the registrar later in the quarter, through this [link](#). An early final exam could be scheduled for graduating seniors, or students with summer internships that require them to leave town before the final exam date. If the latter case applies, students must send official proof of employment to Julie Wong: [juliew@uchicago.edu](mailto:juliew@uchicago.edu), at least four weeks before the final exam date. Unless approved by the instructor, no other excuses will be accepted as reasons to take the early final exam. The early exam will be held during reading period.

**Research project.** There will be a short research project assigned after the midterm. It will be due in the last week of classes.

**Class participation.** Students are highly recommended to participate in lectures and discussion sessions. Any material presented by the instructor and the TA may appear in the exams, even when not covered in the posted lecture notes. During class, students are encouraged to ask questions and participate in discussions. Behaviors such as private conversations, browsing the web and checking email will be considered inappropriate, resulting in a deduction of class participation score.

## Grading

Final grades will be determined according to the following weights.

**Problem Sets.** 20%, where the lowest score will be dropped.

**Midterm and Final.** 30% and 35% respectively, or 25% and 40%, whichever is higher.

**Research project.** 10%.

**Class participation.** 5%

**Course Outline**

Overview and Measurement .....	Barro Ch2
Centralized Economy .....	DLS Ch2-3
Decentralized Economy .....	DLS Ch5-6
Infinite Horizon Model .....	DLS Ch3
Midterm .....	
Economic Growth .....	DLS Ch11 and Barro Ch3-5
Money and Inflation .....	DLS Ch4,8 and Barro Ch10-11
Business Cycle .....	DLS Ch9 and Barro Ch8
Unemployment .....	DLS Ch10 and Barro Ch9
Search Models (Time Allowing) .....	Lecture slides

**Integrity**

It is the students' responsibility to comply with the University of Chicago's policies on academic honesty and student conduct. Any instances of plagiarism or cheating will be reported to the Department of Economics and the Dean of Student Affairs.