

Typos in slides

“Monetary Economics: Macro Aspects,” Spring 2004

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Slides from March 31

- Page 5: The second-order polynomial

$$\lambda^2 - \frac{1 + a_1}{1 - \gamma a_3} \lambda + \frac{a_1^2}{(1 - \gamma a_3)^2} - \frac{\gamma a_1 a_3}{(1 - \gamma a_3)^2} = 0$$

should read

$$\lambda^2 - \frac{1 + a_1}{1 - \gamma a_3} \lambda + \frac{a_1}{(1 - \gamma a_3)^2} - \frac{\gamma a_1 a_3}{(1 - \gamma a_3)^2} = 0.$$

(The mistake has fortunately no consequences for the subsequent equations.)

Slides from April 19

- Page 5: Next-to-last bullet item should read (boldfaced added):

– $g_t < 0$ could be current below-average government expenditures driving output **below** natural

- Page 10: In bullet item starting with “Find **A**”, the second equation should read (i.e., a “ λ ” is missing):

$$E_t x_{t+1} = (1 + \varphi \lambda \beta^{-1}) x_t - \varphi \beta^{-1} \pi_t$$

- Page 17: In equation (3.6), the term $(1/\varphi) g_t$ should be added, not subtracted.