MACROECONOMICS

FIRST HALF – ECONOMIC GROWTH

A. THE SOLOW MODEL


B. THE RAMSEY-CASS-KOOPMANS MODEL

*Romer, Advanced Macroeconomics*, Chapter 2, Part A.


C. THE DIAMOND OVERLAPPING-GENERATIONS MODEL

*Romer, Advanced Macroeconomics*, Chapter 2, Part B.


D. ENDOGENIZING GROWTH

*Romer, Advanced Macroeconomics*, Chapter 3, Part A.


E. CROSS-COUNTRY INCOME DIFFERENCES

*Romer, Advanced Macroeconomics, Chapter 3, Part B.


F. THE UNITED STATES’S LONG-RUN FISCAL PROSPECTS


Congressional Budget Office. 2007. *The Long-Term Budget Outlook* (December).

SECOND HALF – BUSINESS CYCLES


Recommended textbooks:

A. OVERVIEW

*Romer, sections 4.1, 4.2, 5.5.
Walsh, Chapter 1.
B. COMPETITIVE EQUILIBRIUM BUSINESS-CYCLE MODELS

1. Overview, Basic Issues, Log-Linearization
*Romer 4.2-4.7.
*Obstfeld and Rogoff, 7.4 (esp. 7.4.3).

2. Complete Models and Calibration

3. Discussion and Evaluation
*Romer, 4.8-4.10.

4. Variable Factor Utilization

5. RBC Models with Non-Neoclassical Features

6. Multiple Equilibria
Farmer, Chapters 7 and 8.

7. Macroeconomics and the Labor Market (time permitting)
*Romer, 9.1-9.4, 9.6-9.9

C. MONETARY BUSINESS CYCLES

1. Staggered Price Setting
*Romer, Chapter 6.
Woodford, Sections 3.1 and 3.2.
Walsh, Chapter 5.
2. Propagation and Delayed Effects of Shocks
Woodford Section 3.2-3.3 and Chapter 5

3. Effects of Real Shocks
3.a. Technology shocks

3.b. Fiscal shocks
*Romer, Sections 11.1-11.3

D. THEORY OF ECONOMIC POLICY

1. Optimal Policy
*Romer, Chapter 10.
Woodford, Sections 4.2, 6.1-6.2.
Walsh, Chapter 11.

2. Time Inconsistency
*Romer 10.4-10.6.
Woodford, Sections 7.2-7.3.
Walsh, Chapter 8.