Advanced Macroeconomics I

Lecture: V. Hahn

Tutorials: t.b.a.

Objectives

On completion of this module, students will be able to

- demonstrate an understanding of modern macroeconomics and dynamic economic analysis.

- understand techniques to solve dynamic optimization problems

- apply these methods to the study of various macroeconomic issues, such as economic growth, business cycles, monetary policy, consumption and asset prices.

Syllabus

The course covers deterministic and stochastic dynamic general equilibrium modelling and their applications to macroeconomic issues. Both analytical results and numerical solution techniques (dynamic programming, log-linearisation, value-function iteration) are discussed.

1. Dynamic programming

2. The neoclassical growth model

3. New growth theory

4. Ricardian equivalence

5. Real business cycle theory

6. Dynamic models of money

Literature

- Lecture slides (can be obtained from ilias platform)

- Adda, Cooper, "Dynamic Economies: Quantitative Methods and Applications"

- Acemoglu, "Introduction to Modern Economic Growth"

- Ljungqvist, Sargent, "Recursive Macroeconomic Theory"

- Walsh, "Monetary Theory and Policy"

- Romer, "Advanced Macroeconomics"

- Dirk Krüger, "Macroeconomic Theory", lecture notes, available online, 2007.

- Stokey, Lucas, "Recursive Methods in Economic Dynamics"

- additional literature mentioned on the lecture slides

The module grade will be based on the final exam and homework assignments.