



Course: Macroeconomic Theory

Status: Required

Hours: 60 Hours

Credits: 4

Main Objectives:

Dynamic and intertemporal macroeconomics based on neoclassical models (Ramsey and Overlapping generations). Economic policy (fiscal policy and optimal monetary policy), and structural unemployment.

Prerequisite: Calculus II

Content:

1. Competitive Equilibrium, recursive equilibrium and welfare theorems;
2. Ramsey-Cass-Koopmans model in continuous and discrete time;
3. Overlapping generation models;
4. Asset pricing: Lucas tree model;
5. Endogenous Growth;
6. Introduction to Real Business Cycles;
7. Optimal Consumption and investment with adjustment cost;
8. Money in general equilibrium models with flexible prices;
9. Money in models with sticky prices and imperfect competition;
10. Structural unemployment: search-matching models.

References

ACEMOGLU, Daron (2008) Introduction to Modern Economic Growth, Princeton University Press;

ADDA, J. and COOPER, R. (2003) Dynamic Economics: Quantitative Methods and Applications. Cambridge: The Mit Press.

BLANCHARD, O. and S. Fischer (1989), Lectures On Macroeconomics, Mit Press.

CHIANG, A. C. (1992) Elements of Dynamic Optimization. New York: Mcgraw-Hill.



- FAVERO, C. A. (2001) *Applied Macroeconometrics*. New York: Oxford University Press.
- MCCANDLESS, G. (2008) *The Abcs Of Rbcs*. Harvard University Press.
- ROMER, D. (2006) *Advanced Macroeconomics*, 3rd Edition, Mcgraw Hill.
- SARGENT, T. (1989) *Dynamic Macroeconomic Theory*. Cambridge: Harvard University Press.
- STOKEY, N. and LUCAS, R.E. And Prescott, E. (1989) *Recursive Methods for Economic Dynamics*. Cambridge: Harvard University Press.