Textbooks


Course Requirements

Readings

Required readings are marked with an asterisk.

Homework

Problem sets will be assigned on occasion. I encourage you to work together on these assignments, however, each person must submit his or her own set of answers.

Exams

There will be a midterm exam and a final exam. Make-up exams will be given only under extremely extenuating circumstances. Notification and arrangements must be made before the exam.

The final exam is scheduled for Thursday, Dec. 19 at 7:30am-10:30am.

Abbreviations:

CJE: Canadian Journal of Economics
EMA: Econometrica
JEP: Journal of Economic Perspectives
JET: Journal of Economic Theory
JME: Journal of Monetary Economics
JPE: Journal of Political Economy
QJE: Quarterly Journal of Economics
Course Outline and Reading List

I. Introduction
   (Barro, Ch. 1)
   *BF, Ch. 1
   *Barro MBCT, Introduction

II. The Basic Market-Clearing Model
   A. The Role of Individual Choice in Production and Consumption Patterns
      (Barro, Ch. 2)
      *Notes
      Dixit, Chs. 1,2,4

   B. Introduction to Dynamic Macro
      (Barro, Ch. 3)
      *Notes

C. Money and Inflation
   (Barro, Chs. 4,5,7,8)
   *Barro and Fischer, "Recent Developments in Monetary Theory," JME, April 1976. Sections 3,4
   *Friedman, "The Optimum Quantity of Money," in The Optimum Quantity of Money and Other Essays.
III. Consumption/Savings Decisions under Uncertainty

*BF, Ch. 6.1-6.2 (p. 275-291)
Dixit, Ch. 9.

IV. Investment and Growth

(Barro, Chs. 9,10)

*Notes
*BF, Ch. 2.1-2.2 (p.37-52) (Certainty)
BF, Ch. 6.3 (Uncertainty)
SL, Ch. 1
Arrow and Kurz, Ch. 2, "Methods of Optimization over Time"
Dixit, Chs. 10,11
Romer, "Capital Accumulation and the Theory of Long-Run Growth," Ch. 2 in Barro MBCT.
Johnson, "Money in a Neo-Classical, One-Sector Growth Model," in Essays in Monetary Economics, Ch. 4.

V. Public Policy

A. Government Expenditures, Taxes, and Debt

(Barro, Chs. 12-14)

*Barro, "The Neoclassical Approach to Fiscal Policy," Ch. 5 in Barro MBCT.
Plosser, "Government Financing Decisions and Asset Returns," JME May 1982

B. Rational Expectations and Policy Evaluation


Chari, Kehoe, and Prescott, "Time Consistency and Policy," Ch. 7 in MBCT.

VI. Equilibrium Models of Business Cycles - An Introduction


McCallum, "Real Business Cycle Models," Ch. 2 in Barro MBCT.


