Course Information

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 Tuesday, Dec. 15 at 7:30pm-10:30pm.

Abbreviations:

AER : American Economic Review  
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  
RES : Review of Economics and Statistics
Course Outline and Reading List

I. Introduction
   *Barro, Ch. 1

II. Microeconomic Foundations and the Basic Market-Clearing Model
   *Barro, Chs. 2-5
   *Supplemental Notes
   Dixit, Chs. 1, 2.

III. Money and Inflation
   *Barro, Chs. 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.

IV. Investment, Growth, and Public Policy
   A. Investment, Capital Accumulation, and Growth
      *Barro, Chs. 9, 10
      *Supplemental Notes
      *Barro, "The Neoclassical Approach to Fiscal Policy," (Section 1), Ch. 5 in MBCT.
      Arrow and Kurz, "Methods of Optimization over Time," Ch. 2 in Public Investment, the Rate of Return, and Optimal Fiscal Policy, 1970.

B. 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

C. Rational Expectations and Policy Evaluation


V. Equilibrium Models of Business Cycles

*McCallum, "Real Business Cycle Models," Ch. 1 in Barro MBCT.


Barro, Ch. 19


Eichenbaum and Singleton, "Do Equilibrium Real Business Cycle Theories Explain Postwar U.S. Business Cycles?"