Instructor: Steve Holland  
Office: Economics Institute, 1030 13th St., Room 304  
Phone: 938-2521  
Office hours: Monday through Thursday, 3:00-4:00. You can also make an appointment or stop by any time.

Required text

David Romer, *Advanced Macroeconomics*, forthcoming August 1995, McGraw-Hill. Manuscript available at University Book Center in the UMC. It is bound in two parts, Chapters 1 through 4 and Chapters 5 through 8. Chapter 9 is scheduled to arrive later in the semester.

Recommended texts


Course description

The course deals with the current state of macroeconomic theory, stressing some of the major controversies. The major focus is on models relating to business cycles. Students are expected to have taken Economics 7020 and to be familiar with models of economic growth and money and inflation.

Grading

Grades are based on three exams worth 100 points each and homework assignments of varying worth not to exceed 100 points total. Makeup exams must be scheduled in advance. The dates of the exams will be announced later.
Topics and readings

AER = American Economic Review
JPE = Journal of Political Economy
JME = Journal of Monetary Economics
QJE = Quarterly Journal of Economics
JEP = Journal of Economic Perspectives

I. Review

The Neoclassical Growth Model -- Romer, Chapter 1; Barro, Chapter 11.

Representative-Agent and Overlapping-Generations Models -- Romer, Chapter 2;
Blanchard and Fischer, Chapters 2-3; Barro, Chapters 1-3, 6, 12-14.

New Growth Models -- Romer, Chapter 3.

Money and Inflation -- Romer, Chapter 7; Blanchard and Fischer, Chapters 4 and 11; Barro, Chapters 4, 5, 7 and 8.

II. Real Business Cycles

Romer, Chapter 4.

Blanchard and Fischer, Chapters 1 and 7.

Barro, Chapter 9.


III. Traditional Keynesian Models

Romer, Chapter 5.
Barro, Chapter 20.

IV. Incomplete Nominal Adjustment

Romer, Chapter 6.
Blanchard and Fischer, Chapter 8.
Barro, Chapter 19.
Laurence Ball and David Romer, "Real Rigidities and the Nonneutrality of Money," Review of Economic Studies, April 1990 (also in New Keynesian Economics, Volume 1).
V. Unemployment

Romer, Chapter 8.

Blanchard and Fischer, Chapter 9.

Barro, Chapter 10.


VI. Consumption and Investment

Romer, Chapter 9.

Blanchard and Fischer, Chapter 6.


Minor changes in the reading assignments may occur during the semester.