Economics 7040: Macroeconomic Theory

Office hours: Tuesday and Thursday, 12:45-1:45, or by appointment. Room: 102, Phone: 492-5923.

Beginning next week, there will be weekly problem sets, two midterms, each counting for 25% of a final grade, and a cumulative final (50%). The first midterm will be approximately in five weeks.

Readings:

I understand that you already have "Advanced Macroeconomics" by David Romer.

I will also be making available my lecture notes over the course of the semester.

Other useful books: Blanchard and Fisher: "Lectures on Macroeconomics" and Barro and Sala-I-Martin, "Economic Growth".

In the course outline below, I have marked some readings with a +. These are highly recommended. The other articles are included in case you find a topic particularly interesting and/or confusing.

Course Outline:

1. The Solow-Swan Model
   + Romer Chapter 1
2. New Growth Theory

2-a. Endogenous Growth Models

+ Romer, ch 3.

2-b. Empirical Assessments of Growth Models


2-c. Technological Change

+ Barro and Sala-I-Martin, ch 6.

2-d. Endogenous Fertility


2-e. Multiple Equilibria and Development Traps

3. Real Business Cycles

+ Romer, Ch 4.

Blanchard and Fisher, Ch.


4. Consumption and Saving

+ Romer, Chapter 7.

+ Friedman, Milton, A Theory of the Consumption Function, 1957. Chapters 1,2,3 and 9.


5. Investment

6. Political Economy and Government’s Policy