

ECON 7040-001: Macroeconomic Theory I

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Class Schedule: TTh 9:30 am – 10:45 pm in ECON 119.

Office Hours: TTh 10:45 am – 12:15 pm and by appointment.

Textbooks:

Required:

Romer, David. (2001). *Advanced Macroeconomics*, 4th edition,
(New York: McGraw Hill).

Further Reading:

Blanchard, Olivier and Stanley Fischer. (1989). *Lectures on Macroeconomics*. (Cambridge, MA: MIT Press).
Azariadis, Costas. (1993). *Intertemporal Macroeconomics*. (Cambridge: Blackwell Publishers).
Barro, Robert and Xavier Sala-i Martin. (1995). *Economic Growth*. (New York, NY: McGraw Hill).

Course Objectives: To introduce topics in macroeconomics at an advanced level. The class is intended to provide both an overview of the field for those who do not wish to specialize in macroeconomics and a foundation for those who plan to carry out research in macroeconomics. The topics to be covered include: Why are some countries rich and others poor? What are the determinants of sustained economic growth? What are the sources of economic booms and busts? Why is there unemployment? What are the root causes of inflation? How do government policies affect output, inflation and unemployment?

Assignments and Grading:

The final grade for the class will be determined as follows:

Midterm 1	25 %
Midterm 2	25 %
Problem Sets	15 %
Cumulative Final Exam	35 %

No makeup exams or substitute grading assignments will be given.

Preliminary Course Outline: (All chapter references are to the Romer textbook)

<u>Week of</u>	<u>Topic</u>
8/27	The Course Mechanics and logistics Ch. 1 The Solow Growth Model
8/29	No Class
9/3	Ch. 1 Economic Growth Growth Empirics
9/10	Ch. 2 The Cass-Ramsey Growth Model The Diamond (OLG) Model
9/17	Ch. 3 New Growth Theories R&D Models
9/24	Ch. 3 New Growth Theories (continued) More on the Growth Empirics
10/1	Ch. 3 New Growth Theories (continued)
10/8	More on the Growth Empirics
10/10	MIDTERM 1
10/15	Ch. 7 Consumption (Theories)
10/22	Ch. 7 Consumption (Empirics)
10/29	Ch. 8 Investment
11/5	Ch. 9 Money and Inflation

11/12	No Class
11/14	MIDTERM 2
11/19	Ch. 9 Monetary Policy
12/3	Ch 10. Unemployment
12/10	Brief intro to RBC, SDGE models
12/16	FINAL EXAM (1:30 p.m. – 4:30 p.m.)