COURSE DESCRIPTION

Thiscourse is an introduction to modern macroeconorthieory. We will focus our attention on dynamic optimization angleneral equilibrium models.

The course has two objectives. The first is phesentation of the tools required to study dynamic, stochasticgeneral equilibrium models. The second is the application of these tools to topics in macroeconomics

DELIVERY

The course has two integral components:

- 1. Courses: Hopefully in person.
- 2. Recitations: The recitations will use the main material to go deepertinatics in macroeconomics.

EVALUATION

The assessment for this class consists of two (2) **tests** and a final examination. Tests and final exam are closed notes and books. No make tests will be given. The tentative schedule and the grade distribution are displayed in the table below.

Evaluation	Date	%
Test 1	28 September	25
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Test 2

REQUIRED TEXTS

Ljungqvist, Lars and Thomas J. Sargent, Rec**Maiore**economic TheoryCambridge: MIT Press.

BACKGROUND TEXTS

Barro, Robert J. and Xavier Sala-

Solow, Robert M., 1956, A Contribution to the Theor **Eco**nomic Growth, Quarterly Journal of Economic S., 65-94.

III. TWOPERIOD ECONOMIES

Consumption Boileau, Lecture Notes Sectionshough 3

2. A Pure Exchange Economy Boileau, Lecture Notes Section 4

Farmer: Chapter 4

3. A Production Economy Boileau, Lecture Notes Sections 5 and 6

IV. INFINITE HORIZON ECONOMIES: DISCRETE TIME

1. Dynamic Programming

Dixit: Chapters 10 and 11

Ljungvqist and Sargent: Chapters 2 to 5

2. The Neoclassical Growth Model

Boileau, Lecture Notes.

Ljungvqist and Sargent: Chapter 15

3. Overlapping Generations

Boileau, Lecture Notes.

Romer: Chapter 2 part B

V. INFINITE HORIZON ECONOMIES: CONTINUOUS TIME

1. Hamiltonian

Boileau, Lecture Notes.

Dixit: Chapters 10 and 11

Intriligator: Chapters 11 to 15

2. The Neoclassical Growth Model

Barro and SalaMartin: Chapter 2 Blanchard and Fischer: Chapter 2

Intriligator: Chapter 16

Romer: Chapter 2 part A

3. Perpetual Youth

Boileau, Lecture Notes.

Blanchard and Fisher: Chapter 3.3

Banchard, O., 1985. Debt, Deficits, and Finite Horizon. Journal of Political Essnomy

VI. DYNAMIC STOCHASTIC GENERAL EQUILIBRIUM MODELS

1. Dynamic Programming

Ljungqvist and Sargent: 2.1, 2.2, 2.4, 3.2

2. Equilibrium with Complete Markets

Ljungvqist and Sargent: 8.18.5, 8.8

3. Incomplete Markets and Self Insurance

Ljungvqist and Sargent: Chapters 17 and 18

4. Asset Pricing Theory

Ljungvqist and Sargent: 8.7, 13:13.8

V. REAL BUSINESS CYCLE MODELS

1. A Real Business Cycle Model

Farmer: Chapters 2 and 3

Lungvgist and Sargent: Chapter 12

Romer: Chapter 4

King, Robert G., Charles I. Plosser, and Sergrebelo, 1988: Production, Growth, and Business Cycles: I. The Basioclassical Model Journal of Monetary Economics

2. Numerical Issues

Ljungvqist and Sargent: Chapters 4 and 5

King, Robert G., Charles I. Plosser, and Sergiebelo, 2002. Production, Growth, and

Business Cycles: Technicappendix, Computational Economic 20.

Uhlig, Harald, 1997. A Toolkit for Analyzing

University Policies

OLASSROOMBEHAVIOR

CUBoulder recognizes that students' legal information doesn't always align with how they identify. Students may update their preferred names and pronouns via the student portal; those preferred names and pronouns are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name.

HONORCODE

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