

UNIVERSITY OF COLORADO  
Department of Economics

**ECON7020: MACROECONOMIC THEORY I**  
FALL 2010

DU

**COURSE DESCRIPTION**

**EVALUATION**

<b>Evaluation</b>	<b>Date</b>	<b>%</b>
Term Test 1	Week 6: 30 September	25
Term Test 2	Week 12: 9 November	25
Final Exam	13 December from 16:30 to 19:00	50

## REQUIRED TEXTS

- Ljungqvist, Lars and Thomas Sargent, *Recursive Macroeconomic Theory*, Basil Blackwell, 1998.
- Dornbusch, Rudi, *Advanced Macroeconomics*, North-Holland, 1999.

## BACKGROUND TEXTS

- Barro, Robert J. and James S. Sala-i-Martin, *Economic Growth*, North-Holland, 1995.
- Feldstein, Martin, *Lectures on Macroeconomics*, Basil Blackwell, 1998.
- Dixit, Avinash K., *Optimization in Economic Theory*, Stanford University Press, 1991.
- Eichengreen, Bruce, *The Macroeconomics of Self-Fulfilling Prophecies*, Basil Blackwell, 1998.
- Sargent, Thomas J., *Dynamic Macroeconomic Theory*, Basil Blackwell, Harvard University Press, 1987.

# COURSE OUTLINE

## I. INTRODUCTION

- $k_t$
- $F_t$
- $D_t$
- $A_t$   $v_t$   $S_t$

## II. REVIEW: TWO-PERIOD ECONOMIES

- $L_t$   $N_t$   $S_t$
- $A_t$   $x_t$
- $L_t$   $N_t$   $S_t$
- $E_t$
- $A_t$
- $L_t$   $N_t$   $S_t$  6

### III. INFINITE HORIZON ECONOMIES

$\cdot$   $S = \bar{G}, y_0$   
 $\bullet$   $S = \bar{G}$   
 $\bullet$   $S = \bar{G}$   
 $\bullet$   $S = \bar{G}$   
 $\bullet$   $S = \bar{G}$   
 S  $\bar{w}_t$   $b_t$   $\delta$ ,  $\bar{G}$ , A  $\bar{b}_t$   $\bar{w}_t$   $\delta$   $\bar{G}$ ,  $y_0$ ,  
*Quarterly Journal of Economics* 70, 6-16

$\bullet$   $G$   $\bar{G}$   
 $\bullet$   $F$   
 $\bullet$   $E$  6  
 $\bullet$   $L_j$   $\bar{w}_t$   $S_t$   
 $\bullet$   $S_t$   
 $\bullet$   $D$ ,  $\bar{w}_t$   $A$ ,  $\bar{G}$ ,  $N$ ,  $D$   $b_t$   $N$   $\bar{G}$ ,  $y_0$ , Amer-  
*ican Economic Review* 55, 6-16

D  
 $\bullet$   $D_x$   
 $\bullet$   $L_j$   $\bar{w}_t$   $S_t$  6  
 $\bullet$   $S_t$

$\bullet$   $N$   $\bar{G}, y_0$   
 $\bullet$   $S$   
 $\bullet$   $F$   
 $\bullet$   $L_j$   $\bar{w}_t$   $S_t$   
 $\bullet$   $S_t$   $A$

#### IV. STOCHASTIC ECONOMIES

- $x_t = U_t$
- $D_t$
- $E_t$
- $L_t = v_t S_t$

- $F_t$  6
- $I_t$  7
- $S_t$

H. B. S. L. *Journal of Political Economy* 86, 7-

- $F_t$  6
- $I_t$  7

H. F. b. q. Av. q. AN *Econometrica* 50, 4

L. x. S.

- $I_t$  6
- $E_t$
- $L_t = v_t S_t$  7
- $I_t$

K. b. G. S. b. *Journal of Monetary Economics* 7, 67-