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 **phe**sentation of the tools required to study dynamic, stochastigeneral 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 deepertoptics in macroeconomics.

EVALUATION

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

Evaluation	Date	%
Test 1	28 September	25
Test 2		

REQUIRED TEXTS

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

BACKGROUND TEXTS

Barro, Robert J. and Xavier Sala-

Solow, Robert M., 1956, A Contribution to the Theor**⊭co**nomic Growth, Quarterly Journal of Economi**os0**, 65-94.

- **III. TWOPERIOD ECONOMIES**
- Consumption Boileau, Lecture Notes Sectionshfough 3
- 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
- Dynamic Programming Dixit: Chapters 10 and 11 Ljungvqist and Sargent: Chapters 2 to 5
- The Neoclassical Growth Model Boileau, Lecture Notes. Ljungvqist and Sargent: Chapter 15
- Overlapping Generations Boileau, Lecture Notes. Romer: Chapter 2 part B
- V. INFINITE HORIZON ECONOMIES: CONTINUOUS TIME
- Hamiltonian Boileau, Lecture Notes. Dixit: Chapters 10 and 11 Intriligator: Chapters 11 to 15
- 2. The Neoclassical Growth Model Barro and Sala Martin: 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 Economy

- 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
- 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
- A Real Business Cycle Model Farmer: Chapters 2 and 3 Lungvqist and Sargent: Chapter 12 Romer: Chapter 4 King, Robert G., Charles I. Plosser, and SergRebelo, 1988Production, Growth, and Business Cycles: I. The Bakeioclassical Model ournal of Monetary Economics
- 2. Numerical Issues

Ljungvqist and Sargent: Chapters 4 and 5 King, Robert G., Charles I. Plosser, and Ser**Bie**belo, 2002. Production, Growth, and Business Cycles: Techni**&p**pendix, Compu**ti**onal Economic**2**0. Uhlig, Harald, 1997. A Toolkit for Analyzing

University Policies

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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