Econ 5250 Macroeconomic Theory 1

Fall 2014
Instructor: Pengfei Wang
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Email: pfwang@ust.hk
Office Hours: 4:30-6:00 Tuesday or by appointment

Requirements

Homework: 10%
Class Participation: 10%
Midterm Exam: 30%
Final Exam: 50%

Textbooks

D. Romer, Advanced Macroeconomics (required).

Course Outline

Part 1. Introduction to Macroeconomics (1 week)

1. What is Macroeconomics about?
   Romer "Introduction"

2. The revolution of Macroeconomic Theory

   Olivier Blanchard, “What do we know about macroeconomics that Fisher and Wicksell did not?”, QJE 115, no.4 (November 2000): 1375-1410

   Woodford, M., “Revolution and Evolution in Twentieth-Century Macroeconomics.”

   N. Gregory Mankiw, “The Macroeconomist as Scientist and Engineer.”

   V. V. Chari and Patrick J. Kehoe, "Modern Macroeconomics in Practice: How Theory Is Shaping Policy."

2. Introduction to Dynamic Program
Part 2. Growth Theory (4 weeks)

1. Solow Model (1 week)
   
   D.Romer, Chapter 1

2. The Ramsey-Cass-Koopmans Model (2 weeks)
   
   D.Romer, Chapter 2

3. Endogenous Growth Theory (1 weeks)
   


Part 3. Classic Real Business Cycle Theory (4 weeks)

1. The canonical Real Business cycle model (3 weeks)
   

   Lecture note on Calibration, log-linearization, and solution methods.

   D. Romer, Chapter 4.

   Models with adjustment costs

2. Indeterminacy and Sunspots (1 week)


3. Firm Entry and Exit (1 week)
Part 4. Consumption Based Asset pricing

D. Romer Chapter 7

Implication for Asset pricing:


Welfare cost of Business Cycle:

Part 5. Models with financial frictions (2 weeks)

D. Romer, Chapter 8


