

Dynamic Macroeconomics

Winter 2015/16

Syllabus

October 2015

Instructor:

Michael Gail

Hölderlinstraße 3, H-C 5326

Office hours:

On appointment

Teaching assistants:

Natalia Zabelina

Assem Khussainova

Hölderlinstraße 3, H-B 5416/17

Lectures:

Tuesday, 2.00 p.m. - 4.00 p.m.

Room: H-A 3102

First lecture: October 20th, 2015

Classes:

Monday, 4.00 p.m. - 6.00 p.m.

Room: H-A 3102

First class: October 26th, 2015 (see LSF for a special room on November 23rd, 2015)

Website:

http://www.wiwi.uni-siegen.de/gail/lehre/wintersemester_1516/

Content:

This course introduces basic and advanced concepts and key tools that are central to a profound understanding of macroeconomic issues, ranging from short-term economic fluctuations to long-term growth. The emphasis of the course will be on dynamic models which are at the center of modern macroeconomics. Students will learn how models are used to understand key empirical facts in macroeconomic data, how to use mathematical tools for the analysis of model economies, how to develop and use the most common models for understanding the relationship between aggregate output, inflation and interest rates and the key drivers of macroeconomic growth and cycles, and how to develop policy recommendations and conduct practical policy analysis. At the end of the course, students should be able to apply the analytical tool box of modern macroeconomics to macroeconomic questions of current importance.

A detailed course outline is given below.

Course requirements:

Students will be graded upon the following:

Final exam.

Readings:

The main reference for the course is:

Wickens, Michael (2011). *Macroeconomic Theory - A Dynamic General Equilibrium Approach*, Princeton University Press, Princeton, 2nd edition (denoted by MW in the following)

Course overview:

1. Introduction (MW, Chapter 1)
2. The centralized economy (MW, Chapter 2)
3. Economic growth (MW, Chapter 3)
4. The decentralized economy (MW, Chapter 4)
5. Government: Expenditures and public finances (MW, Chapter 5)
6. The Overlapping-Generations Model (MW, Chapter 6.3)
7. Imperfectly flexible prices (MW, Chapter 9)
8. Asset pricing and macroeconomics (MW, Chapter 11)
9. Financial markets (MW, Chapter 12)
10. Monetary policy (MW, Chapter 14)