Dynamic Macroeconomics Summer 2011 (Preliminary) Syllabus April 4, 2011

**Instructor:** Günter W. Beck Hölderlinstrasse 3, H-B 5418

Office hours: On appointment

**Teaching assistant:** Christian Rühl Hölderlinstrasse 3, H-B 5418

Lectures: Tuesday, 12.00 a.m. - 2.00 p.m. Room: H - H-A 3102

**Classes:** Friday, 10 a.m. - 12 a.m. Room: H - H-B 6414 First class: April 15, 2011

Website:

t.b.a.

## 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 will thereby on dynamic models which are at the center of modern macroeconomics today. 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 modern macroeconomist's toolkit to macroeconomic questions of current importance.

A detailed course outline is given below.

## Course requirements:

Students will be graded upon the following:

• Final exam (100%).

## **Readings:**

The main reference for the course is:

Wickens, Michael (2008). Macroeconomic Theory – A Dynamic General Equilibrium Approach, Princeton University Press, Princeton (denoted by MW in the following)

An introduction to Matlab (Octave) can be downloaded under: http://www.maths.dundee.ac.uk/~ftp/na-reports/MatlabNotes.pdf.

## 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. Real business cycles, DGE models, and economic fluctuations (MW, Chapter 14)
- 7. Unemployment (to be announced)
- 8. The monetary economy (MW, Chapter 8)
- 9. Imperfectly flexible prices (MW, Chapter 9)
- 10. Monetary policy (MW, Chapter 13)