

Macro 2 Business Cycles

Type d'enseignement : Lecture and tutorials

Semester : Spring 2016-2017

Number of hours : 48

Language of tuition : English

Pre-requisite

Macro 1

Course Description

This is the second course in the three-semester graduate sequence in macroeconomics. The purpose of this course is to introduce the basic models macroeconomists use to study fluctuations. The course presents the stylized facts of business cycles. The first model allows for intertemporal choices between consumption and saving. The next model introduced is the basic real-business cycle model with labour/leisure choice under uncertainty and shocks. The course presents methods to solve these stochastic models and to investigate their empirical relevance. We then analyse the role of money, nominal rigidities and real rigidities in New Keynesian models to explain the effect of demand shocks and supply shocks on output and inflation. Finally, this framework will be used to explain the effect of monetary and fiscal policies and analyse the credibility of public policy.

Teachers

BOEHM, Johannes (Assistant Professor)

Required reading

Romer, D.: Advanced Macroeconomics, 2nd Edition, McGraw-Hill, 2001

Gali, J.: Monetary Policy, Inflation, and the Business Cycle. Princeton University Press, 2008