

Doctoral Program in Economics



Academic year 2020/21

MACROECONOMICS 1

Period:

Second term: from February 15 to April 9

Course hours:

20

Teacher:

Alberto Dalmazzo

Exam methods:

Written Exam

Program

(1) Consumption: Recursive Substitution & (some) Dynamic Programming.

- Blanchard & Fischer (1989): Par.5.1, p.214-221, Ch.5.
- Bagliano & Bertola (2004): Ch.1: available online at: <http://www.oup.co.uk/pdf/0-19-926682-4.pdf>
- Sargent (1987): Macroeconomic Theory (2nd edition): p.362-366, Ch.12 (Consumption).
- Bagliano & Bertola (2001): Ch.1 (Appendix)
- Blanchard & Fischer (1989): Par.6.2.1-6.2.3, Ch. 6, Sect.2.

(2) Asset Equations: Search & Matching.

- Romer (2001), Advanced Macroeconomics (2nd edition), Ch 9, Sect. 9.8.
- Diamond P. (1982), "Aggregate Demand Management in Search Equilibrium", Journal of Political Economy, p.881-894.

(3) The Ramsey Model: Optimal Control.

- Barro & Sala-i-Martin (1995): Economic Growth, McGraw-Hill: Mathematical Appendix: Sect.1.3, p.498-510.
- Blanchard & Fischer (1989): Sect.2.1, Ch.2. (Ramsey model).
- Chiang (1992): Dynamic Optimization, McGraw-Hill: p.276-277.

(4) Nominal Rigidities and the New Keynesian-DSGE Model.

- Blanchard & Fischer (1989), Lectures on Macroeconomics, Ch. 8, Sect. 8.1 (simplified version of the Blanchard-Kiyotaki model)
- Romer (2001), Advanced Macroeconomics (2nd edition), Ch 6, Part C.
- Walsh (2010), Monetary Theory and Policy (3rd edition), Ch. 8.
- P. Benigno (2009), New-Keynesian Economics: An AS-AD View, NBER wp #14824

(5) Coordination Failures and Multiple Equilibria.

- Cooper and John (1988), "Coordinating Coordination Failures in Keynesian Models", *Quarterly Journal of Economics*, p.441-463.
- Bagliano and Bertola (2004), Ch.5.

Educational objectives

Basic knowledge of the mostly used macroeconomic modelling techniques

Bibliographical references

- (1) O.Blanchard & S.Fischer (1989), *Lectures on Macroeconomics*, MIT Press
- (2) D.Romer (2001), *Advanced Macroeconomics (2nd edition)*, McGraw-Hill
- (3) F.Bagliano & G.Bertola (2004), *Models for Dynamic Macroeconomics*, OUP
- (4) R.Barro & X.Sala-I-Martin (1995), *Economic Growth*, McGraw-Hill.
- (5) C.Walsh (2010) *Monetary Theory and Policy (3rd edition)*, MIT Press