

Course Outline

Macroeconomics - EC5120

Autumn Term 2013

Version 2.0

Course Leader: Manolis Galenianos

Office: 206 McCrea Building

Email: manolis.galenianos@rhul.ac.uk

Lecture: Wednesday 9-11, McCrae 201

Seminar: Wednesday 12-1, Windsor 0-04

Office hours: Wednesday 11-12 and 3-4

AIMS

This course will introduce students to modern intertemporal macroeconomics. We will develop tools for dynamic economic analysis and apply them to study topics such as economic fluctuations, unemployment, long-run growth, consumption decisions by households and investment decisions by firms.

LEARNING OUTCOMES

Upon completion of this course students should have a good understanding of:

- dynamic macroeconomic models of economic behavior;
- the main theories of economic fluctuations;
- the modern theory of unemployment;
- the principal determinants of consumption and investment decisions;
- the main insights into the process of economic growth.

COURSE DELIVERY

There will be one 2-hour lecture and one 1-hour seminar per week, over a 10 week period.

The lectures will highlight the central economic and econometric tools and arguments of the topics and/or models considered. The seminars are primarily used to study problem sets related to the topics covered in the lectures. Lectures and classes are complementary ways of achieving the course's learning objectives.

The problem sets will be designed to familiarize the students with technical details of economic and econometric analysis as well as elaborate further on the economic intuition underlying the analysis.

Attendance is mandatory. If you cannot attend class for some reason, you should send me an email in advance.

ASSESSMENT

The final mark is determined by:

- 2-hour unseen written examination held in the Summer term. 65% of final mark.
- 1-hour test held in the Autumn Term. 25% of the final mark.
- Class participation and problem sets: 10% of the final mark.

READING

The main textbook used in the course is *Advanced Macroeconomics* by David Romer. Some chapters of the textbook by Ljungqvist and Sargent as well as journal articles and notes might also be assigned during the term.

Textbook References

- Romer, David “Advanced Macroeconomics” 4th ed., McGraw-Hill.
- Ljungqvist, Lars and Sargent, Thomas D. “Recursive Macroeconomic Theory” 3rd ed., MIT press.

COURSE OUTLINE (the outline might be adjusted depending on class progress)

Weeks 1 and 2

Introduction: Solow growth model; Infinite horizon and overlapping generations model.

Romer, chapters 1 and 2.

Weeks 3, 4 and 5

Theories of economic fluctuations: Real Business Cycles; New Keynesian Model.

Romer, chapters 5,6 and 7.

Weeks 6, 7 and 8

Consumption and Investment

Romer, chapters 8 and 9.

Weeks 9 and 10

Unemployment and summary.

Romer chapter 10.