Course Information

Course Number/Section	Econ 6302.001
Course Title	Macroeconomics Theory I
Term	Fall 2015
Days & Times	MW 10:00-11:15
Room	PFY 1.202

Professor Contact Information

Professor	Aslı Leblebicioglu
Office Phone	883-6903
Email Address	ax1128330@utdallas.edu
Office Location	GR 2.531
Office Hours	Monday 4:00-5:30 or by appointment

Course Description

The objectives of this course are to examine the foundations of macroeconomic behavior, develop economic intuition and present some of the tools necessary for formal analysis of economic problems. We will mainly be focusing on household's choice problem, growth models and real business cycle models.

Student Learning Objectives/Outcomes

- To set-up and solve models of economic growth; use the models to ask basic policy questions
- To set-up and solve dynamic stochastic general equilibrium models in order to study business cycle fluctuations

Required Textbooks and Materials

Required Texts

David Romer, Advanced Macroeconomics, 3rd /4th Edition, McGraw-Hill Irwin (DR for short).

R.J. Barro and X. Sala-I-Martin, Economic Growth, 2nd Edition, Cambridge, MIT Press (BSM for short).

I will also direct you to some articles (recommended reading) as we go over them in class, and hand out notes for some of the lectures as we go along.

Academic Calendar & Grading Policy

The evaluation will be based 2 midterms and the final exam.

Midterm 1 (30%): Monday, October 5, in class.

Midterm 2 (30%): Wednesday, November 11, in class.

Final (40%): TBA

Course Policies

Make-up exams

Make-up exams will not be given unless you bring official documentation showing why you missed the exam.

Office Hours

If you cannot make it to the office hour on Monday, or need to see me some other time, send me an email to set-up a meeting time. Please allow 24 hours for me to get back to you with a day and time.

UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus. Please go to http://go.utdallas.edu/syllabus-policies for these policies.

Course Outline

Introduction: Trends and Fluctuations in the Aggregate Data DR Chapters 4.1, 4.8

I. Growth Models

Review of the Solow Growth Model DR Chapters 1.1-1.7 BSM Chapter 1

The Ramsey-Cass-Koopmans Model DR Chapters 2.1-2.9 BSM Chapter 2

Overlapping Generations Models Social security in the simple model; OLG with production; Ricardian Equivalance DR Chapters 2.10-2.14 BSM Chapter 3.8

Endogenous Growth Models AK Model; Learning by Doing and Knowledge Spillovers; Public Goods Model BSM Chapters 4.1-4.4

II. Consumption and Investment Under Uncertainty

Stochastic optimization, Bellman equations

Permanent Income Hypothesis; Precautionary Savings; Liquidity Constraints DR Chapters 7.1, 7.4, 7.2, 7.3, 7.6

Firm's investment decisions under uncertainty

III. Real Business Cycle Models

DR Chapter 4

Campbell, J., 1994, "Inspecting the Mechanism: An Analytical Approach to the Stochastic Growth Model," Journal of Monetary Economics, 33, 463-506.

Cooley, Thomas (Eds.), 1995, Frontiers of Business Cycle Research, Princeton University Press, Chapter 1.

King, R.G., C.I. Plosser and S.T. Rebelo, 1998, "Production, Growth and Business Cycles: The Basic Neoclassical Model," Journal of Monetary Economics, 21, 195-232.

Uhlig, H., 1999, "A Toolkit for Analyzing Nonlinear Dynamic Stochastic Models Easily" in R. Marimon and A. Scott (eds.), Computational Methods for the Study of Dynamic Economies, 30-61, Oxford University Press. Text and Matlab codes available at http://www2.wiwi.hu-berlin.de/institute/wpol/html/toolkit.htm

The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.