Macroeconomic I (Ph.D.)

Textbooks:

You may find the following text books useful to read (Krusell note will be used substantially in the first section of the course)

* Per Krusell, Lecture notes for Macroeconomics I, 2004 (K)
* Jerome Adda and Russell Cooper, MIT Press, 2003 (AC)
* Andreu Mas-Colell, Michael Whinston and Jerry Green, Microeconomic Theory, Oxford University Press, 1995.

I. Dynamic Optimization: Discrete Time

(utility setup [HW1], Dynamic Programming [HW2,3,4], Speed of Convergence and linearization [HW5], Competitive Equilibrium [HW6,7], Stochastic Optimization [HW8], Arrow-Debreu, [HW9])

- AC, Ch. 2,3,5
- * Krusell, Ch2,3,4,5
- Harris, M. Dynamic Economic Analysis, Oxford Univ. Press, 1987. Ch1,2
- LS, Ch. 2,3,4
- Azariadis, Ch. 7,13.
- BF Ch. 2
- * Krusell, Ch 6
II. Overlapping Generations Model (Homework 10)

- Azariadis, Ch. 7,9,11,12,13
- BF Ch. 3,4,5
- LS, Ch. 8.
- Hansen, Prescott, "Malthus to Solow", AER, 2002, September (Impact of Land in growth, simple two period OLG model, technology with Land, two sector model, competitive equilibrium)

III. Real Business Cycles ( Data, Linearizing Necessary Conditions, Method of Undetermined Coefficients, Indivisible Labor, Business Cycle Accounting ) (Homework 11, 12)

- * Prescott, "Theory Ahead of Real Business Measurement" 1987
- D. Krueger, Quantitative Macroeconomics: An Introduction, 2007
- Lucas, "Macroeconomic Priorities" AER, 2003
- Krusell, Mukuyama, Smith, Sahin, "Revisiting the welfare effects of eliminating business cycles ", 2009, RED
- The Great Diversification and its Undoing Carvalho, Vasco; Gabaix, Xavier The American Economic Review, Volume 103, Number 5, August 2013 , pp. 1697-1727(31)

**IV. Asset Market** (Lucas Tree, Risk Premium Puzzle) (Homework 13)


**V. Labor Market** ( (s,S), search, bargaining, estimation ) (Homework 14)

- Pissarides, Christopher; Equilibrium Unemployment Theory, MIT Press, 2000
• Aiyagari, J Greenwood, N Guner - "On The State of Union" Journal of Political Economy, 2000, (This paper concern on matching from other point of view and nice application and policy analysis of matching in marriage and divorce)
• Galemianos, Pacula, Persico, " A Search Theoric Model of the Retail Market for Illicit Drugs", 2009

VI. Money Search. (Homework 15)


VII. Recursive Commitment Problem (Homework 16) Consumption Smoothing (One Sided Commitment, Two Sided Commitment)


Unemployment (Insurance)

**Business Cycle**


**Asset Pricing**


**VIII. International Macroeconomics** (International Business Cycle) (Homework 17)