

MACROECONOMICS

(Prof. Giam Pietro Cipriani and Prof. Edmund Cannon)

Aims: This course provides students with a thorough understanding of some fundamental models in macroeconomics and introduces them to methods of formal macroeconomic analysis. The first part focuses on macroeconomics for the long run, introducing and developing basic models of growth. The second module deals predominantly with short and medium run concerns such as business cycles.

Part I - Lecturer: GIAM PIETRO CIPRIANI

- The Solow Growth Model
- Infinite-horizon and overlapping generations models
- New growth theory

Part II - Lecturer: EDMUND CANNON

- Modelling business cycles: different approaches (Romer, chapters 5 to 7)
 - Review of IS-LM models and old-fashioned Keynesian approaches
 - Review of RBC models
 - Dynamic Stochastic General Equilibrium Models – How they work
 - Criticisms of DSGE models
- Two of the components of aggregated demand
 - C = consumer's expenditure (Romer, chapter 8)
 - I = investment (Romer, chapter 9)
- Financial crises (chapter 10 of Romer's book fifth edition)

Textbook: David Romer, *Advanced Macroeconomics*, McGraw-Hill, 2011.

Exam: Two-hour written examination.