

<p>Advanced Macroeconomic Theory – Econ 6600 Department of Economics, Winter 2019</p>

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Days, Times, Location: Monday, Wednesday 10:05–11:25, Economics A1
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Course Web Page: [Brightspace](#)

Description

The purpose of this course is to understand the structure of the major theoretical frameworks in contemporary macroeconomics. The course addresses issues that mainly relate to the real side of the macroeconomy. Major emphasis is placed on neoclassical and endogenous economic growth, and incomplete markets and heterogeneity.

Prerequisites

Either good standing in the PhD Program and ECON 5500, or permission of the instructor.

Objectives

This course covers dynamic methods and topics in macroeconomics. In particular, I will organize the lectures around one theme: intertemporal consumption and saving decisions, which covers a broad spectrum of topics ranging from economic growth to asset pricing. I will present the material through a mixture of lectures and seminars. In the lectures, for each topic, I will introduce the research motivation, discuss research methods appropriate for the question at hand, and present illustrative examples. In the seminars, students will actively present material, and will be expected to participate in the discussion.

Course materials

Burkhard Heer, and Alfred Maußner, 2005. *Dynamic General Equilibrium Modelling: Computational Methods and Applications*. Springer. The eBook format of this text is available through Dalhousie Libraries. (*Required*)

Daron Acemoglu, 2009. *Introduction to Modern Economic Growth*. Princeton University Press. (*Recommended*)

David N. DeJong and Chetan Dave. *Structural Macroeconometrics*. 2nd edition. Princeton University Press. (*Highly recommended*)

Lars Ljungqvist, and Thomas Sargent, 2004. *Recursive Macroeconomic Theory*. 2nd edition. MIT Press. (*Recommended*)

Nancy L. Stokey, and Robert E. Lucas Jr., with Edward Prescott, 1989. *Recursive Methods in Macroeconomic Dynamics*. Harvard University Press. (*Recommended*)

Lecture notes. I will post some of the lecture notes on the course web page. These complement the discussions in the lectures, and are not substitutes for lectures and required readings.

Assessment

Your understanding of and competency over the material will be evaluated based on your knowledge, comprehension, application, and analysis of the material learned in this course, and synthesis and evaluation of existing research. These include:

1. Application of macroeconomic knowledge to situations that are different from those presented in class, ability to abstract key aspects of a complex problem, and ability to recognize common threads in specific and novel problems.
2. Critical thinking: Appraising whether what appears to be evidence for a certain approach is really so; evaluating the quality of an argument; disentangling cause from effect; and identifying the shortcomings and pitfalls of a particular model in relevant contexts.
3. Effective communication: Writing concise essays and making effective presentations.

I will distribute the required readings and the assignments on a weekly basis. You may be individually asked to present selected material from the readings and solve the assignment questions. Your mark on the assignments will be in part based on your participation and presentation in these seminar sessions.

There will be weekly assignments distributed in class. There will also be a midterm exam on 13 February and a final exam on 8 April (from 10:00 to 13:00). The exams will cover all the material from the lectures, assignments, and required readings. The marked assignments account for 30 percent of the final grade, class participation 5 percent, the midterm 30 percent, and the final exam remaining 35 percent of the grade.

Requirements

Attendance and independent learning. Attendance to lectures and participation in lecture discussions are requirements. Lectures will include data and material that are not included in the required readings. At the same time, not all required readings will be covered in the lectures.

Active learning. There is a significant research component to this course. Be prepared for high order cognitive, including synthesis and evaluation. Paraphrasing the arguments presented in your textbook, readings and lectures will be necessary but not sufficient to obtain a satisfactory mark on your exams.

The correspondence between the total mark and the final letter grade is as follows.

<u>Grade</u>	<u>Letter</u>	<u>Grade</u>	<u>Letter</u>	<u>Grade</u>	<u>Letter</u>
90–100	A+	77–79.9	B+	< 70	F
85–89.9	A	73–76.9	B		
80–84.9	A–	70–72.9	B–		

Policies

In addition to the University Policies and Statements posted on the Brightspace course site, the following policies will be followed.

Plagiarism. All assignments must reflect your individual effort and work, and collaboration is not permitted. You cannot download source code for or solutions to assignment questions from the Internet, unless explicitly given permission to do so. Violations of this policy will be considered an academic offence.

Cancellations. In case of a cancelled class due to campus closure, all the course requirements for that class will be automatically postponed to the next scheduled one.

Late assignments. Late assignments with no Student Declaration of Absence form will be marked down by 10 percent per day, up to a maximum of 50 percent.

Missed midterm. There will be no make-up for a missed midterm examination, in which case the weight will be equally distributed across the remaining assessment components.

Content

1. Intratemporal Allocations
2. Intertemporal Allocations under Certainty
 - (a) Efficiency and dynamic stability
 - (b) Distribution of income and wealth
3. Intertemporal Allocations under Uncertainty
 - (a) Risk and insurance
 - (b) Individual savings
 - (c) Aggregate savings
 - (d) Distribution of income and wealth