Graduate macroeconomics II

Lecturer
Robert KOLLMANN (Coordinator)

Course mnemonic
ECON-S430

ECTS credits
5 credits

Language(s) of instruction
English

Course period
Second term

Campus
Solbosch

Course content

This course gives an introduction to Dynamic Stochastic General Equilibrium (DSGE) models of business cycles and asset prices. Useful textbooks: Adda, J., Cooper, R., 2003, Dynamic Economics, MIT Press. Ljungqvist, L., Sargent, T., 2004, Recursive Macroeconomic Theory, 2nd ed., MIT Press. Miranda, M., Fackler, P., 2002, Applied Computational Economics and Finance, MIT Press. Obstfeld, M., Rogoff, K., 1996, Foundations of International Macroeconomics, MIT Press. Romer, D., 2005, Advanced Macroeconomics, McGraw Hill. Woodford, M., 2003, Interest and Prices, Princeton University Press. Course outline 1) Real Business Cycle Models The basic framework: effects of productivity shocks and of fiscal policy shocks Romer, ch. 4 Rebelo, S., 2005, Real Business Cycle Models: Past, Present and Future, Scandinavian Journal of Economics 107, 217-238. 2) Asset markets Ljungqvist & Sargent, ch. 13 Cochrane, J., 2007, Financial Markets and the Real Economy, Working Paper, University of Chicago. 3) International Macro and Finance Obstfeld, M., 2007, International Risk Sharing and the Costs of Trade (The Ohlin Lectures, May 2007), Working Paper, University of California, Berkeley. Gourinchas, P., and Rey, H., 2007, International Financial Adjustment, Journal of Political Economy 115, 665-703. 4) New Keynesian Models Woodford, ch. 3. 5) Solution methods for DSGE models Schmitt-Grohé, S., Uribe, M, 2004, Solving Dynamic General Equilibrium Models Using a Second-Order Approximation to the Policy Function, Journal of Economic Dynamics and Control 28, 755-775. Marimon, R., Scott, A., 1999, Computational Methods for the Study of Dynamic Economies, Oxford University Press, ch. 7

Objectives (and/or specific learning outcomes)

Ability to use the basic models, analytical methods and quantitative tools of modern quantitative macroeconomics

Teaching method and learning activities

Lectures

Contribution to the teaching profile

See next point (objectives).

References, bibliography and recommended reading

See 'content' above

Other information

Place(s) of teaching

Solbosch

Contact(s)

Office: Professor Robert Kollmann R42 5.215 (ECARES) Office hours by appointment robert_kollmann@yahoo.com www.robertkollmann.com

Evaluation method(s)

Other

Evaluation method(s) (additional information)

See next point.

Determination of the mark (including the weighting of partial marks)

I. Attendance and participation in class [10% of grade] II. Each student has to write a paper, and to present it in class (end of teaching period) [70% of grade]. The paper should be devoted to a theme of your choice, related to the topics addressed in the lectures. The paper/presentation can be based on your own research, or discuss recent academic studies (working papers or articles, preferably published in last 5 years). One day before your presentation you are asked to send your slides and a document that summarizes your presentation to the professor. Length of document: at least 10 pages (12pt Times New Roman, 1.5 line spacing, 1 inch margins). You should aim to talk for 20 minutes. Presentations with personal research input/ideas (e.g. looking at original data, or attempting to validate or extend existing theoretical or empirical results or models) are especially appreciated. However, a good survey of recent research is OK. III. A discussion with the professor, about the course material (last week of course). [20% of grade]

Main language(s) of evaluation

English

Programmes

Programmes proposing this course at the Solvay Brussels School of Economics and Management

MA-ECOE | **Master in Economics : Econometrics** | finalité Research in Economics/unit 1 and finalité Research in Economics and statistics/unit 1

Programmes proposing this course at the faculty of Sciences

MA-STAT | **Master in Statistics : General** | finalité Research General/unit 1