Introduction to Advanced Macroeconomic Analysis (IAMA)

Winter Semester 2019/2020

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1 Schedule

Lecture (VL)	Tue	10:00–12:00	SPA 1, 202
Tutorial (UE)	Wed	16:00–18:00	SPA 1, 220
Tutorial (UE)	Fri	14:00–16:00	SPA 1, 220

2 Lecturers

	Office Hours	Room	E-Mail
Prof. Lutz Weinke (VL)	Tue 14:30–15:30, registration at: wpol@wiwi.hu-berlin.de	331	lutz.weinke@wiwi.hu-berlin.de
Julia Otten (UE)	On appointment	329	julia.otten@wiwi.hu-berlin.de
Mauricio Salgado Moreno (UE)	On appointment	329	mauricio.salgado.moreno@wiwi.hu-berlin.de

3 Content and structure of the course

This course teaches how to use key concepts and techniques, which are employed in modern macroeconomic analysis. Throughout the course, special emphasis is put on the fact that economic theory can be used as a lens to analyze data. The analysis of linear dynamic models will be done with DYNARE (http://www.dynare.org), which is very easy to handle. In addition, we will develop the underlying method. We will also compare the dynamic consequences of economic shocks in a macroeconomic model with their empirical counterpart.

The piece of economic theory that is often used to identify empirical technology shocks comes from growth theory. It is therefore natural to conclude the course with an introduction to that theory.

There will be a 90-minute final exam.

4 Literature

Barro, Robert J.; Sala-i-Martin, Xavier (2003): *Economic Growth*, Second Edition, MIT Press.

Galí, Jordi (2003): *New Perspectives on Monetary Policy, Inflation, and the Business Cycle*, Advances in Economic Theory, edited by: M. Dewatripont, L. Hansen, and S. Turnovsky, vol. III, 151-197, Cambridge University Press.

Galí, Jordi; Rabanal, Pau (2004): *Technology Shocks and Aggregate Fluctuations: How Well Does the RBC Model Fit Postwar U.S. Data?,* NBER Macroeconomics Annual 19, 225-288.

Galí, Jordi (2015): *Monetary Policy, Inflation and the Business Cycle*, Second Edition, Princeton University Press.

5 Overview of the Course

	Date	Topic of the Lecture
1	15.10.	Introduction and Overview: Why are Models useful?
2	22.10.	Elements of Equilibrium I Literature: Galí (2003) & Galí (2015), Ch.2
3	29.10	Elements of Equilibrium II Literature: Galí (2003) & Galí (2015), Ch.2
4	05.11	Equilibrium with Flexible Prices Literature: Galí (2003) & Galí (2015), Ch.2
5	12.11	The New Keynesian Model I Literature: Galí (2003) & Galí (2015), Ch.3
6	19.11	The New Keynesian Model II Literature: Galí (2003) & Galí (2015), Ch.3
7	26.11	Dynamic Consequences of Shocks Literature: Galí (2003) & Galí (2015), Ch.3
8	03.12	Dynamic Consequences of Technology Shocks and Possible Pitfalls in their Estimation I Literature: Galí & Rabanal (2004)
9	10.12	Dynamic Consequences of Technology Shocks and Possible Pitfalls in their Estimation II Literature: Galí & Rabanal (2004)

10	17.12	Questions / Revision
11	07.01	Solow I Literature: Barro & Sala-i-Martin (2003), Ch. 1
12	14.01	Solow II Literature: Barro & Sala-i-Martin (2003), Ch. 1
13	21.01	Ramsey I Literature: Barro & Sala-i-Martin (2003), Ch. 2
14	28.01	Ramsey II Literature: Barro & Sala-i-Martin (2003), Ch. 2
15	04.02	Questions / Revision
16	11.02	Topic