



Introduction to Advanced Macroeconomic Analysis (IAMA)

Winter Semester 2023/2024

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1 Schedule

Lecture (VL)	Tue	10:15–11:45	Spandauer Straße 1 – Room 202
Tutorial (UE)	Wed	14:15–15:45	Spandauer Straße 1 – Room 220
Tutorial (UE)	Fri	14:15–15:45	Spandauer Straße 1 – Room 220

2 Lecturers

	Office Hour (in person)	Room	E-Mail
Prof. Lutz Weinke (VL)	Mon 11:00–12:00, registration at: wpol@wiwi.hu-berlin.de	331	lutz.weinke@wiwi.hu-berlin.de
Veljko Bojovic (UE)	On appointment	330	veljko.bojovic@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 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.

This course is offered in English and will take place in person. There will be a 90-minute in-person multiple choice exam at the end of the semester. This course (i.e., lecture and practical class) provides 6 ECTS points.

4 Literature

- Barro, Robert J. and Xavier Sala-i-Martin (2003): *Economic Growth*, Edition, MIT Press.
- Galí, Jordi (2003): "New Perspectives on Monetary Policy, Inflation, and the Business Cycle," in M. Dewatripont, L. Hansen, and S. Turnovsky, (ed.) *Advances in Economic and Econometrics*, Vol. III, 151-197, Cambridge University Press.
- Galí, Jordi and Pau Rabanal (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.
- Galí, Jordi (2018): "The State of New Keynesian Economics: A Partial Assessment," *Journal of Economic Perspectives*, Vol. 32(3), 87-112.

5 Overview of the Course

	Date	Topic of the Lecture
1	17.10.	Introduction and Overview: Why are Models useful?
2	24.10.	Elements of Equilibrium I Literature: Galí (2003, 2018) & Galí (2015), Ch.2
3	31.10.	Elements of Equilibrium II Literature: Galí (2003, 2018) & Galí (2015), Ch.2
4	07.11.	Equilibrium with Flexible Prices Literature: Galí (2003, 2018) & Galí (2015), Ch.2
5	14.11.	The New Keynesian Model I Literature: Galí (2003, 2018) & Galí (2015), Ch.3
6	21.11.	The New Keynesian Model II Literature: Galí (2003, 2018) & Galí (2015), Ch.3
7	28.11.	Dynamic Consequences of Shocks Literature: Galí (2003, 2018) & Galí (2015), Ch.3
8	05.12.	Dynamic Consequences of Technology Shocks and Possible Pitfalls in their Estimation I Literature: Galí & Rabanal (2004)
9	12.12.	Dynamic Consequences of Technology Shocks and Possible Pitfalls in their Estimation II Literature: Galí & Rabanal (2004)
10	19.12.	Questions / Revision
11	09.01.	Solow I Literature: Barro & Sala-i-Martin (2003), Ch. 1
12	16.01.	Solow II Literature: Barro & Sala-i-Martin (2003), Ch. 1
13	23.01.	Ramsey I Literature: Barro & Sala-i-Martin (2003), Ch. 2

14	30.01.	Ramsey II Literature: Barro & Sala-i-Martin (2003), Ch. 2
15	06.02.	Questions / Revision / Outlook
16	13.02.	Exam