


5 credits

30.0 h + 6.0 h

Q1

Teacher(s)	Pensieroso Luca ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	The course should cover models relevant for economic policy, especially with goods and labour market imperfections as well as with monetary policy. The course also covers the application of general equilibrium dynamic models to stochastic environments (such as real business cycle models and New Keynesian models). It includes economic policy simulations.
Aims	<p>1 The aim of the course is to cover at an advanced level the main topics of modern macroeconomic theory, with an emphasis on its relevance for economic policy and applications of general equilibrium dynamic models. Students should learn to master the corresponding simulation tools.</p> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Evaluation methods	Individual homework (penalties for lack of delivery, maximum penalty -2/20). Closed-book, written exam.
Teaching methods	Methodology: Lectures + homeworks + tutorial classes
Content	This course introduces students to the core elements of modern macroeconomics from a Dynamic General Equilibrium (DGE) perspective. The focus of the course will be on providing the students with the analytical tools necessary to carry out research in macroeconomics.

<p>Bibliography</p>	<ul style="list-style-type: none"> • Wickens M., Macroeconomic Theory. A Dynamic General Equilibrium Approach, Princeton University Press, 2011. <p>The textbook is: Wickens M., Macroeconomic Theory. A Dynamic General Equilibrium Approach, Princeton University Press, 2011.</p> <p>Useful complements to the textbook are: Benassy J. P., Macroeconomic Theory, Oxford University Press, 2011. Blanchard O. J. and S. Fisher, Lectures on Macroeconomics, The MIT Press, 1989. Heijdra B. J., Foundations of Modern Macroeconomics, Oxford University Press, 2009. McCandless G., The ABCs of RBCs, Harvard University Press, 2008. Romer D., Advanced Macroeconomics, McGraw-Hill, 2011.</p> <p>An advanced undergraduate introduction to Modern Macroeconomics: Chugh S. K., Modern Macroeconomics, The MIT Press, 2015.</p> <p>Additional readings about the open economy: Obstfeld M. and K. Rogoff, Foundations of International Macroeconomics, The MIT Press, 1996. Uribe M. and S. Schmitt-Grohé, Open Economy Macroeconomics, Princeton University Press, 2017.</p> <p>Additional readings about the DSGE Models Chari V. V., P. J. Kehoe and E. R. McGrattan (2007), "Business Cycle Accounting", <i>Econometrica</i>, 75, 781-836. Gali J., Monetary Policy, Inflation and the Business Cycle. An Introduction to the New Keynesian Framework, Princeton University Press, 2008. Farmer R. E. A., Macroeconomics of Self-fulfilling Prophecies, The MIT Press, 2002. Smets F. and R. Wouters (2003), "An Estimated Dynamic Stochastic General Equilibrium Model of the Euro Area", <i>Journal of the European Economic Association</i>, 1, 1123-1175. Walsh C. E., Monetary Theory and Policy, The MIT Press, 2010.</p> <p>Additional readings about Economic Growth Barro R. J. and X. Sala-i-Martin, Economic Growth, The MIT Press, 2004</p> <p>Additional readings about the Great Depression Cole, H. L., and L. E. Ohanian (1999): "The Great Depression in the United States from a Neoclassical Perspective," <i>Federal Reserve of Minneapolis Quarterly Review</i>, 23, 2–24. Kehoe, T. J., and E. C. Prescott (2002): "Great Depressions of the 20th Century," <i>Review of Economic Dynamics</i>, 5, 1–18. Pensieroso, L. (2011): "Real Business Cycle Models of the Great Depression", <i>Clometrica</i>, 5, 101-119.</p>
<p>Faculty or entity in charge</p>	<p>ECON</p>

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Economics: Econometrics	ETRI2M	5		
Master [120] in Economics: General	ECON2M	5		