Advanced Macroeconomics I : Intertemporal Behavior and Business Cycles

lecon2121

2024

5.00 credits	30.0 h + 6.0 h	Q1

Teacher(s)	Pensieroso Luca ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	ECON2021 Fluctuations économiques et fondements de la politique macro (or similar)
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.
Learning outcomes	**At the end of this learning unit, the student is able to :**
	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.
Evaluation methods	Individual homework (penalties for lack of delivery, maximum penalty -2/20). Written or oral exam (depending on sanitary conditions).
Teaching methods	Lectures + homeworks + tutorial classes
Content	The broad areas covered are: • The neoclassical growth model • Real business cycle models • Money, nominal rigidities, demand determined output, the New Keynesian model • Some aspects of fiscal policy, e.g. non-ricardian households
Bibliography	David Romer (2019), Advanced Macroeconomics, 5th edition (but earlier editions are fine), McGraw-Hill. Michael Wickens (2008), Macroeconomic Theory. A Dynamic General Equilibrium Approach, Princeton University Press. Jordi Gali, Monetary Policy, Inflation, and the Business Cycle. An Introduction to the New Keynesian Framework. The models we are dealing with in the class can all be solved numerically and simulated using the (free) code package Dynare. You can download Dynare here: https://www.dynare.org/download/ . In case you have an apple computer, you need to download the MacOS version. To run Dynare code you need to install the software Matlab.
Faculty or entity in charge	ECON

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