

Teacher(s)	Monti Francesca ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	In the first part of the course, we shall study the main behavioral equations of a standard macroeconomic model: aggregate supply and factor demands, consumption (and saving), external trade, wages and prices. The emphasis will be on the economic foundations of the econometric specifications (including the global coherence of the model and its characteristics on a steady state growth path), the interpretation and the policy implications of the results. Next, we shall select and discuss some important issues in (applied) macroeconomics, integrating case studies and published papers.
Learning outcomes	At the end of this learning unit, the student is able to : 1 The course builds on the core course in macroeconomics. It provides an experience in the modeling of a small open economy and therefore should yield a better understanding of its functioning, a better appreciation of the magnitude of key ratios and elasticities and their implications for economic policy.
Evaluation methods	The grade will be based on the home assignments (40%) and a written exam at the end of the term (60%).
Teaching methods	The course is taught in person, if possible. (Subject to changes due to the covid situation). Students will receive home assignments and will work individually and/or in groups. Students are supposed to be able to use an econometric software (e.g. Matlab or R) and some meetings may take place in the computing room.
Content	The course will explore topics in applied macroeconomics, with emphasis on the intersection between the empirical analysis and the theory. The objective of the course is to develop an understanding of the connection between the economic theory and real-world policy issues, an ability to apply the empirical methods to critically analyze the macroeconomic environment surrounding the policy decisions. The course will cover the estimation and identification of vector autoregressions (VARs) and local projections, focusing specifically on how these models are applied to understand the macroeconomic and financial impact of monetary and fiscal policies. I will also provide a brief introduction to Bayesian time-series econometrics. If time permits, we will also discuss the use of structural macro models policy analysis and forecasting. We will select and discuss some important issues in (applied) macroeconomics, integrating case studies and published papers.
Inline resources	See Moodle https://moodle.uclouvain.be/?redirect=0
Bibliography	There is no required textbook. However, I plan to draw material from the following books and papers: Kilian, Lutz and Lütkepohl, Helmut, Structural Vector Autoregressive Analysis (as of July 2018, chapters can be downloaded freely on Kilian's webpage: http://www-personal.umich.edu/~lkilian/book.html) Ramey, Valerie, Macroeconomic Shocks and Their Propagation 2016 <i>Handbook of Macroeconomics</i>. Leeper, Eric and Sims, Christopher A., and Zha, Tao, What Does Monetary Policy Do? 1996 <i>Brookings Papers on Economic Activity</i>, 2, 1-78 Del Negro, M. and F. Schorfheide (2013) "DSGE Model-Based Forecasting" <i>Handbook of Economic Forecasting</i>, Volume 2, Part A, 2013, Pages 57-140 Fernández-Villaverde, Jesús, Juan F. Rubio-Ramírez, Thomas J. Sargent, and Mark W. Watson. 2007. "ABCs (and Ds) of Understanding VARs." <i>American Economic Review</i>, 97 (3): 1021-1026. Forni and Gambetti "Sufficient information in structural VARs" <i>Journal of Monetary Economics</i>, Volume 66, September 2014, Pages 124-136 Jordà, Ò. (2005). Estimation and Inference of Impulse Responses by Local Projections. <i>American Economic Review</i>, 95 (1), 161–182. Uhlig, H. 2005. What are the Effects of Monetary Policy on Output? Results from an Agnostic Identification Procedure. <i>Journal of Monetary Economics</i> 52, 381-419. Silvia Miranda-Agrippino, Giovanni Ricco, Bayesian Vector Autoregressions: Estimation, Oxford Research Encyclopedia of Economics and Finance (forthcoming), Oxford University Press. doi:10.1093/acrefore/9780190625979.013.164 Silvia Miranda-Agrippino, Giovanni Ricco, Bayesian Vector Autoregressions: Applications, Oxford Research Encyclopedia of Economics and Finance (forthcoming), Oxford University Press. doi:10.1093/acrefore/9780190625979.013.478

Faculty or entity in charge	ECON
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Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [60] in Economics : General	ECON2M1	5		
Master [120] in Economics: General	ECON2M	5		