

Professor Mark Gertler
New York University
Spring 2011

Intermediate Macroeconomic Theory (Theory Track): Course Syllabus

Required Text:

Abel, Andrew, Ben Bernanke, and Dean Croushore, Macroeconomics, 6th Edition,
Addison Wesley

Course Requirements:

Two Midterms (25% of the grade each)
Final (35% of the grade)
Occasional Problem Sets (15% of the grade).

The Midterms will be in class on March 2 and April 11. The final will be at the regularly scheduled time and not be given early. Missing an exam requires a signed note from a physician.

Teaching Assistant:

The TA for the course is Hakon Tretvoll (hakon@tretvoll.com). He will teach a weekly recitation section.
Attendance is mandatory.

My Office Hours:

M, W 4-5. #708, 19 W. 4th.
(I may periodically have to re-schedule).

Outline and Reading List

Introduction (2 lectures)

1. Concepts and Data
Chapters 1 and 2

Long-Run Economic Performance and Growth (8 lectures)

2. Productivity, Output and Employment
Chapter 3
3. Consumption, Saving and Investment
Chapters 4 and 5
4. Long-Run Economic Growth
Chapter 6
5. Money and Inflation
Chapter 7

The Short Run and Business Cycles (8 lectures)

6. Business Cycle Facts
Chapter 8
7. The Real Business Cycle Paradigm
Chapter 9 and 10
8. The New Keynesian Approach
Chapters 11 and 12
Gali, Jordi and Mark Gertler, "Macroeconomic Models for Monetary Policy Evaluation" Journal of Economic Perspectives, Winter 2007.

Extensions and Applications (7 lectures)

9. Credibility and Optimal Monetary Policy
Chapter 14
10. Financial Factors in Business Cycles and the Recession of 2008-2009.
Bernanke, Ben and Mark Gertler, "Inside the Black Box: The Credit Channel of Monetary Policy Transmission," Journal of Economic Perspectives 1995.
Hall, Robert, "Why the Economy Falls to Pieces After A Financial Crisis," Journal of Economic Perspectives , Fall 2010.
Hall, Robert, "The Long Slump," Presidential Address, American Economic Association
11. Fiscal Policy
Chapter 15
Gali, Jordi, David Lopez-Salido and Javier Valles, "Understanding the Effects of Government Spending on Consumption," Journal of the European Economic Association, March 2007.
12. The Open Economy
Chapter 13