

This subject covers topics in modern Macroeconomic Theory and Policy at the advanced level. The emphasis will be laid on recent advances in the theories about long-term growth and short-term business cycle, and in the related empirical and policy debates. The growth theory includes neoclassical growth models (particularly the Ramsey and overlapping-generations models), and various endogenous growth models with knowledge spillovers, human capital and R&D investment. We also consider income distribution, convergence, income ranking, and population ageing in the growth models. The business cycle theory includes the real-business cycle model and various New Keynesian models. The policy issues include national debt, social security, and monetary policies. It helps students understand the frontier debates in macroeconomics.