Syllabus Macroeconomics III
University of Copenhagen, 2024

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Instructor

John Kramer (john.kramer@econ.ku.dk)

Lecture dates

Thursdays, Weeks 46-41 & 43-50 in CSS 35-01-05, 1000h-1300h
Lecture materials available on GitHub

Assessment

Exam   : 3 hours, closed book, no aids, graded on 7 point scale

Assignments : Passing 2 out of 3 is mandatory for final exam
Deadline I   : Sep 29
Deadline II   : Oct 27
Deadline III   : Nov 22

Problem Sets : Weekly, to be discussed in class with TAs, not part of grade

Reading

PC: Curlat, P. (2020). A course in modern macroeconomics. Independently published.

DR: Romer, D., Advanced Macroeconomics; McGraw Hill, fifth edition

PT: Persson, T. and G. Tabellini, Political Economics; MIT Press 2000

SG: Schmitt-Grohe, S. and M. Uribe, M. Woodford, International Macroeconomics; link

AK: Azzimonti, M. et al, Macroeconomics; link

$\mathbb{E}$[Topics]

1. Introduction to the course; two period model AK 1

2. Household optimization & the Ramsey model in discrete time. Capital accumulation. Phase diagram analysis. DR 2.6; AK 2.1, 4.1-4.2, 4.A.4

3. Welfare, government spending, response to anticipated and unanticipated shocks, public debt and Ricardian equivalence. DR 2.7, AK 13.4

4. Overlapping generations: The Diamond model. Household intertemporal optimization with finite lives. Dynamic efficiency. DR 2.8-2.11, AK 6.4-6.5

5. Labor leisure choice. Uncertainty. (TBA)

6. The Real Business Cycle Framework DR 5.3-5.5, AK 12.1-12.4

7. Labor markets: labor search, unemployment, wage determination, bargaining, the Beveridge curve AK 18

8. Monopolistic Competition: introduction of prices, coordination failure, efficiency, price adjustment costs DR 6.5-6.6, AK 6.3

9. Expectational difference equations and the Phillips Curve (TBA)

10. The New Keynesian Model light: rigid prices, Fischer and Taylor contracts, output stabilization DR 7.3-7.4

11. The New Keynesian Model: Calvo prices, the Phillips and IS curves, output stabilization DR 7.3-7.4

12. Optimal monetary policy: credibility vs discretion, credibility and reputation in monetary policy, central bank institutions PT 15.1-15.4; 17.1-17.2

13. Open economy macro: current account, net foreign asset position, the trade balance as insurance mechanism, the real exchange rate, gains from trade SG 3,6,9

14. Recap lecture