Macroeconomic Theory I: Intertemporal Choice

Professor Christopher D. Carroll

Office Hours: Make An Appointment Yourself (read the "rules" link)

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Office Hours: TBD

If you're a Google Calendar user, you should be able to subscribe to the course calendar using the following Calendar ID (after logging into your Google account, copy and paste the text into the "Other Calendars" box in http://calendar.google.com):

jhuecon.org_v2kso2hp1memk0vka1gomvorm8@group.calendar.google.com

If you are not yet a Google Calendar user, you should become one; items that I post on the calendar will be viewed as having been distributed to the class. If you insist on boycotting Google, however, you can see the calendar if you click **HERE**

This course presents theory and evidence about the dynamic behavior of households, firms, and the macroeconomy as a whole. We will begin with a thorough discussion of the consumption/saving problem of households, including the role of uncertainty, and then discuss investment behavior of firms, including the relationship between financial markets and firm behavior. We move next to a discussion of the application of dynamic models of firms and households to the process of economic growth, and conclude by studying aggregate macroeconomic models with dynamically optimizing firms and households.

This syllabus contains required and recommended readings for each topic. Required readings are indicated by a $*$.

You should own a copy of the texts by **?**, **?**, **?** and **?**.

Students from other departments are welcome to take the course, but they should be prepared for regular use of higher mathematics (multivariate calculus, probability and statistics, functional analysis) which will be employed later in the course.

Course handouts are available at:

http://www.econ2.jhu.edu/people/ccarroll/courses/Choice/LectureNotes

1 Course Intro: Methodology for Macroeconomists

Bib: Method.bib

Handouts: `CourseIntro`

Readings:

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2 Consumption

Bib: `Consumption.bib`

Handouts: `Consumption`

Readings:

2.1 Introduction and Overview

* **?**, Chapters I, II, III

* **?**, Preface; pp. 76-81

2.2 The Life Cycle and Overlapping Generations Models

* **?**, pp. 1-6

* **?**, Chapter 3: Introduction, pp. 91-113

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2.3 The Infinite Horizon Representative Agent Model

* **?**, Chapter 3

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2.4 Consumption with Uncertainty and/or Liquidity Constraints

* **?**, Chapter 6

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2.5 Consumption Based Asset Pricing

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3 Investment

Bib: `Investment.bib`

Handouts: `Investment`

Readings:

* **?**, Chapter 2, pages 58–69; Chapter 6, pp 291–302

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4 Growth

Bib: `Growth.bib`

Handouts: `Growth`

* **?**, Chapter 2, pp 37-57

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5 Real Business Cycle Models

Bib: `DSGEModels.bib`

Handouts: `DSGEModels`

* **?**, Chapter 1

* **?**, Chapter 7

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