

Syllabus Macroeconomics III

University of Copenhagen, 2025

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Instructor

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

Lecture dates

Tuesdays, Weeks 6-15 & 17-20 in CSS 35-01-44, 1000h-1300h

Office hours 1400h-1500h on lecture days

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 : Mar 2

Deadline II : Apr 6

Deadline III : May 4

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](#)

📖[Topics]

1. Introduction to the course; two period model PC 6.2, AK 1
2. Household optimization & the Ramsey model in discrete time. Capital accumulation. Phase diagram analysis. PC 9; 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. PC 6.2-6.3, 7.2-7.4
6. The Real Business Cycle Framework PC 13, AK 12.1-12.4
7. Labor markets: labor search, unemployment, wage determination, bargaining, the Beveridge curve AK 18, PC 7.5
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 DR 7.3
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