

ECON 606: Macroeconomic Theory I

Spring 2019

Course Information:

Class hours: Tu/Th 4:00 - 5:15 PM, Connor 210
Class webpage on Blackboard: <https://blackboard.olemiss.edu/>
Instructor: Jaevin Park (jpark21@olemiss.edu)
Office: 367 Holman Hall
Office hours: Tu/Th 1:00 – 2:30 PM and/or by appointment
TA: Joey White(jswhite@go.olemiss.edu)

Course Objectives:

This course is the first half of the two-semester sequence in Ph.D. macroeconomics. The sequence aims to introduce students to a broad range of issues at the Ph.D. level and to develop useful analytical tools for doing research in macroeconomics. The first part focuses on the determination of aggregate income, consumption and prices in a dynamic framework with emphasis on the micro foundations of macroeconomics. Students are expected to attend all class meetings and to actively participate in discussions by asking and answering questions. Announcements for assignments, exams, and attendance will be made through e-mails and/or Blackboard. Please make sure that you are responsible for reading these emails and checking Blackboard announcements on a regular basis.

Course Materials:

- (LS) Lars Ljungqvist and Thomas J. Sargent. *Recursive Macroeconomic Theory*, MIT Press (2nd Edition)
- (SL) Nancy L. Stokey and Robert E. Lucas with Edward Prescott. *Recursive Methods in Economic Dynamics*, Harvard University Press
- (W) Stephen Williamson. *Notes on Macroeconomic Theory*

Course Outline:

The list that follows contains the topics that will be covered in class. I strongly encourage students to read the chapters in preparation for classes.

1. Neoclassical Growth and Dynamic Programming

- (W) Chapter 1: Simple Representative Agent Models
- (W) Chapter 3: Neoclassical Growth and Dynamic Programming
- (LS) Chapter 3: Dynamic Programming
- (SL) Chapter 3: Mathematical Preliminaries
- (SL) Chapter 4: Dynamic Programming under Certainty
- (SL) Chapter 5: Applications of Dynamic Programming under Certainty

2. Competitive Equilibrium with (In)Complete Markets

- (W) Chapter 5: Choice under Uncertainty
- (W) Chapter 6: Consumption and Asset Pricing

(LS) Chapter 8: Equilibrium with Complete Markets
(LS) Chapter 10: Ricardian Equivalence
(LS) Chapter 13: Asset Pricing
(LS) Chapter 17: Incomplete Markets Models

3. Search Theory

(W) Chapter 7: Search and Unemployment
(LS) Chapter 6: Search, Matching, and Unemployment

4. Monetary Economics

(W) Chapter 2: Growth with Overlapping Generations
(W) Chapter 10: Overlapping Generations Models of Money
(LS) Chapter 9: Overlapping Generations Models
(W) Chapter 8: A Cash-in-Advance Model
(LS) Chapter 25: Credit and Currency

Course Requirements:

(Assignments) A problem set will be assigned weekly for each chapter or topic that we have covered. Students are allowed to discuss with each other on problem sets. But you must submit your own solution for grading. If you do not submit an assignment before the deadline, you will receive a score of zero. But I will grade your assignment until my suggested solution is uploaded.

(Exams) You will be offered one midterm and one final exams. The exams will be similar to the problem sets and also to the long questions in the Comprehensive exams. The midterm exam will be held during the class hour (tentatively, Feb. 28th) and one final exam will be held at TBA. All exams are mandatory and there is no make-up exam. If you miss an exam you will receive a score of zero on it. The few exceptions to this rule are if you have a documented medical excuse, or a documented family emergency. If you are unavailable for an exam due to official Ole Miss business (such as a game, etc.), you need to contact me at least a week before and to provide any documentation that missing the exam is necessary in the greater interests of the University community.

(Grades) will be determined by Assignments(20%), Two Exams(each 40%). Percentages are tentative.

Academic Integrity: Assignments will be done by your own effort or by participating actively in the group study to solve problems. Similarly, exams will be taken without any assistance of another student or any materials such as notes, textbook, and cell phones, etc. Evidence to the contrary will result, initially, in a failing grade on the assignment or the exam, and immediate academic disciplinary action. If you ever feel that these standards of academic integrity are not being met, please notify me or an undergraduate advisor immediately.

Disabilities: Students with disabilities who may need disability-related classroom or exam accommodations for this course are encouraged to set up an appointment to meet with me as soon as possible to better insure that accommodations are provided in a timely manner.

Students are expected to attend all the classes. Regular attendance is strongly encouraged, but I do not monitor attendance formally. Students who miss a class are responsible for knowing the material covered in that class. For more information about the university attendance policy see *Class Attendance Guidelines* (ACA.AR.200.004).

University policy: To abide by federal guidelines, instructors are required to enter attendance verifications for each of their courses by the end of the second week of regular semester. Students whose attendance is not verified will be dropped from the class.