Advanced Macroeconomics II

1. Equilibrium concepts. Complete vs. incomplete markets.

2. Solving dynamic stochastic general equilibrium models.

3. Price stickiness and optimal monetary policy.

4. Introduction to open economy macroeconomics.

5. International Real Business Cycle model.

6. Open economy New Keynesian business cycle model.

7. Introduction to contract theory.


10. Unemployment.

11. Optimal taxation.


    Readings: Blanchard (1985); Epstein and Zin (1989); Greenwood, Hercowitz, and Huffman (1988)

14. DSGE models - practical session.
    Readings: Griffoli (2008); Barillas, Bhandari, Colacito, Kitao, Matthes, Sargent, and Shin (2010).

Evaluation is based on the final exam (70 points) as well as homework and classroom activity (30 points). To be admitted to the exam you need to obtain at least 15 points for the homework and classroom activity. To pass the course your total score must be at least 50 points.

The exam is based on topics and problems discussed during the course and posted on the web pages of the instructors. The homework lists will be posted consecutively on the web. It is your responsibility to get it from there. Homework is due in class on the due date. While preparing your homework, you may talk about the problems with other students, but you must write up your own solutions in your own words.

There is no single textbook for the course. However, most of the discussed topics are covered in either Benassy (2011), Ljungqvist and Sargent (2005) or Wickens (2008).

While studying you may find it helpful to use various scientific paper browsers like e.g.: econpapers.repec.org, ideas.repec.org and scholar.google.com; article databases, e.g. www.jstor.org, www.sciencedirect.com and www.nber.org.

We invite all interested in economic theory to participate in Warsaw Economic Seminars (https://sites.google.com/site/warsaweconseminars/).
References


