

Macroeconomics – EKN 823

Module Description

This module builds on EKN 813. The course continues introducing students with the workhorse models in macroeconomics while we also cover some specialized topics at an advanced level. The first part of the course is covered by Prof. Nicola Viegi; the second, by me. The second part focuses on saving and consumption problems. We also study heterogenous agent models, and cover some applications of collective household models (vis-à-vis unitary household models) within a macroeconomic problem.

Assessment Method

Assignments (50%) and final exam (50%)

Topics Covered

- Dynamic Programming: Revision
- PIH, Prudence and Precautionary Saving Motives
- Self Insurance under Borrowing Constraints and Uncertainty
- Incomplete Markets Models, the Bewley-Aiyagari Model
- Heterogenous Agent Models with Distributional Dynamics
- Collective Household Models

Timetable and Venue

- Lecture: Tuesday, 16:30 - 19:30, at 1.37 Tukkiewerf.
- Consultation: Wednesday, 14:00 - 16:00 or anytime by appointment at 2.07 Tukkiewerf.

Learning and Teaching Processes

Lectures

Prerequisite

The course requires a good background in macroeconomics and some level of comfort with mathematics.

Reading Materials

There is no a particular textbook for this module. While more reading materials are provided after each lecture, the following books could be served as useful reference materials for the course:

1. Acemoglu, Daron, *Introduction to modern economic growth*, Princeton University Press, 2009.
2. Bagliano, Fabio-Cesare and Bertola, Giuseppe, *Models for Dynamic Macroeconomics*, Oxford University Press, 2007
3. Ljungqvist, Lars and Sargent, Thomas J., *Recursive Macroeconomic Theory*, Third Edition, The MIT Press, 2012
4. Romer, David, *Advanced Macroeconomics*, McGraw-Hill Irwin, 2006