

## ECON 582—Macroeconomic Theory II (Winter 2010)

**Instructor:** Dmytro Hryshko

**Meeting Room:** TB-109

**Class Hours:** TueTh 9:30–10:50 AM

**My Office:** Tory Building, 9-13A

**Office Hours:** by appointment

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**Course Description:** This is the second course in a two-term sequence of the first year graduate macroeconomic theory. We will focus on the theory of dynamic stochastic general and partial equilibrium models; we may also study these models using numerical methods.

### **Recommended Books:**

There is no required textbook for this course. Recommended texts are:

Daron Acemoglu [A] (2009). *Introduction to Modern Economic Growth*. Princeton University Press.

Lars Ljungqvist and Thomas Sargent [LS] (2004). *Recursive Macroeconomic Theory*, 2nd Edition. The MIT Press.

Carl Walsh [W] (2003). *Monetary Theory and Policy*, 2nd Edition. The MIT Press.

Maurice Obstfeld and Kenneth Rogoff [OR] (1996). *Foundations of International Macroeconomics*. The MIT Press.

David Romer [R] (2006). *Advanced Macroeconomics*, 3d Edition. McGraw-Hill Irwin.

Angus Deaton [D] (1993). *Understanding Consumption*. Oxford University Press.

You can access [LS] and [W] in the electronic format through the UofA library system.

**Material Covered:** My plan is to cover a subset of the material from chapters 2, 3, 5–10, 17 from [A], 6, 8, 13, 16, 17, 26 from [LS], and chapters 1–3, 5 from [W]. In addition, we will talk about the real business cycles theory. The material from [A] emphasizes

growth theory. The material from [LS] emphasizes general equilibrium models in complete and incomplete markets, and behavior of consumption/savings under self-insurance. The material from [W] comprises dynamic stochastic general equilibrium models with money, and provides an introduction to new Keynesian models.

**Grading:** Evaluation will be based on your performance on an in-class midterm (40%), a final (40%) exam, and several problem sets (20%). You may work on your problem sets in groups.

**General Notes:**

As per request of the University administration, please be aware of the following statement: “Policy about course outlines can be found in §23.4(2) of the University Calendar.” (GFC 29 SEP 2003).

As per request of the University administration, please familiarize yourself with the following statement: “The University of Alberta is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Code of Student Behaviour (online at [www.ualberta.ca/secretariat/appeals.htm](http://www.ualberta.ca/secretariat/appeals.htm)) and avoid any behaviour which could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.” (GFC 29 SEP 2003)