Advanced Macroeconomics I : Intertemporal Behavior and Business Cycles

lecon2121

2023

UCLouvain

5.00 credits	30.0 h + 6.0 h	Q1

Teacher(s)	Pensieroso Luca ;Rannenberg Ansgar-Romero (compensates Pensieroso Luca) ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	LECON2021 Fluctuations économiques et fondements de la politique macro (or similar)
Main themes	The course covers the analysis important areas of macroeconomics through the lens of dynamic theoretical models which form the analytical core of the frameworks used in research and policymaking.
Learning outcomes	**At the end of this learning unit, the student is able to :** 1 At the end of this learning unit, the student is able to: • Understand some key economic mechanisms at work in general equilibrium models, and how the determine their predictions. • Derive the behavioral equations of the models covered in the course, and understand the fundamentals of some important model solution techniques. • Be able to perform some basic model simulations in Matlab.
Evaluation methods	Individual homework (penalties for lack of delivery, maximum penalty -2/20). Written or oral exam (depending on sanitary conditions).
Teaching methods	Lectures + homeworks + tutorial classes
Content	The broad areas covered are: • The neoclassical growth model • Real business cycle models • Money, nominal rigidities, demand determined output, the New Keynesian model • Some aspects of fiscal policy, e.g. non-ricardian households
Bibliography	David Romer (2019), Advanced Macroeconomics, 5th edition (but earlier editions are fine), McGraw-Hill. Michael Wickens (2008), Macroeconomic Theory. A Dynamic General Equilibrium Approach, Princeton University Press. Jordi Gali, Monetary Policy, Inflation, and the Business Cycle. An Introduction to the New Keynesian Framework. The models we are dealing with in the class can all be solved numerically and simulated using the (free) code package Dynare. You can download Dynare here: https://www.dynare.org/download/ . In case you have an apple computer, you need to download the MacOS version. To run Dynare code you need to install the software Matlab.
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Economics: Econometrics	ETRI2M	5		🔍
Master [120] in Economics: General	ECON2M	5		🔍