


5.00 credits

30.0 h + 6.0 h

Q1

Teacher(s)	Pensieroso Luca ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	ECON2021 Fluctuations économiques et fondements de la politique macro (or similar)
Main themes	The course should cover models relevant for economic policy, especially with goods and labour market imperfections as well as with monetary policy. The course also covers the application of general equilibrium dynamic models to stochastic environments (such as real business cycle models and New Keynesian models). It includes economic policy simulations.
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <p>1 The aim of the course is to cover at an advanced level the main topics of modern macroeconomic theory, with an emphasis on its relevance for economic policy and applications of general equilibrium dynamic models. Students should learn to master the corresponding simulation tools.</p>
Evaluation methods	Individual homework (penalties for lack of delivery, maximum penalty -2/20). Written or oral exam (depending on sanitary conditions).
Teaching methods	Methodology: Lectures + homeworks + tutorial classes
Content	This course introduces students to the core elements of modern macroeconomics from a Dynamic General Equilibrium (DGE) perspective. The focus of the course will be on providing the students with the analytical tools necessary to carry out research in macroeconomics.

Bibliography	<p>The textbook is:  <b>Wickens M.</b>, Macroeconomic Theory. A Dynamic General Equilibrium Approach, Princeton University Press, 2011.                  Useul complements to the textbook are:  <b>Benassy J. P.</b>, Macroeconomic Theory, Oxford University Press, 2011.  <b>Blanchard O. J. and S. Fisher</b>, Lectures on Macroeconomics, The MIT Press, 1989.  <b>Heijdra B. J.</b>, Foundations of Modern Macroeconomics, Oxford University Press, 2009.  <b>McCandless G.</b>, The ABCs of RBCs, Harvard University Press, 2008.  <b>Romer D.</b>, Advanced Macroeconomics, McGraw-Hill, 2011.                  An advanced undergraduate introduction to Modern Macroeconomics:  <b>Chugh S. K.</b>, Modern Macroeconomics, The MIT Press, 2015.                  Additional readings about the open economy:  <b>Obstfeld M. and K. Rogoff</b>, Foundations of International Macroeconomics, The MIT Press, 1996.  <b>Uribe M. and S. Schmitt-Grohé</b>, Open Economy Macroeconomics, Princeton University Press, 2017.                  Additional readings about the DSGE Models  <b>Chari V. V., P. J. Kehoe and E. R. McGrattan (2007)</b>, "Business Cycle Accounting", <i>Econometrica</i>, 75, 781-836.  <b>Gali J.</b>, Monetary Policy, Inflation and the Business Cycle. An Introduction to the New Keynesian Framework, Princeton University Press, 2008.  <b>Farmer R. E. A.</b>, Macroeconomics of Self-fulfilling Prophecies, The MIT Press, 2002.  <b>Smets F. and R. Wouters (2003)</b>, "An Estimated Dynamic Stochastic General Equilibrium Model of the Euro Area", <i>Journal of the European Economic Association</i>, 1, 1123-1175.  <b>Walsh C. E.</b>, Monetary Theory and Policy, The MIT Press, 2010.                  Additional readings about Economic Growth  <b>Barro R. J. and X. Sala-i-Martin</b>, Economic Growth, The MIT Press, 2004                  Additional readings about the Great Depression  <b>Cole, H. L., and L. E. Ohanian (1999)</b>: "The Great Depression in the United States from a Neoclassical Perspective," <i>Federal Reserve of Minneapolis Quarterly Review</i>, 23, 2–24.  <b>Kehoe, T. J., and E. C. Prescott (2002)</b>: "Great Depressions of the 20th Century," <i>Review of Economic Dynamics</i>, 5, 1–18.  <b>Pensieroso, L. (2011)</b>: "Real Business Cycle Models of the Great Depression", <i>Clometrica</i>, 5, 101-119.</p>
Faculty or entity in charge	ECON

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Economics: Econometrics	<a href="#">ETRI2M</a>	5		
Master [120] in Economics: General	<a href="#">ECON2M</a>	5		