

Module: Macroeconomic Analysis (Makroökonomische Analyse)

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Content & learning objectives:

The module offers an introduction into state-of-the-art dynamic macroeconomic theory. Students gain an in-depth methodological and content-related knowledge in the field of modern macroeconomics. They learn to build dynamic macroeconomic models derived from microfoundations, to solve these models numerically, and to interpret the qualitative and quantitative outcomes of dynamic analysis. Students develop an intuitive understanding of macroeconomic relationships. They are able to discuss the limitations and to propose potential extensions the models covered in class. Students become familiar with state-of-the-art methods in macroeconomics such as dynamic optimization and numerical solution methods.

The module covers long-run growth theory (Ramsey model) and short-run business cycle theory (Real Business Cycle model, New Keynesian model, Behavioral New Keynesian model).

Planned course structure:

Part I. Macroeconomic Data and Methods

- Trends vs. Cycles in Macroeconomic Data
- Stylized Facts
- Introduction to Linear Approximation
- Introduction to Constrained Dynamic Optimization in Discrete and Continuous Time

Part II. Long-Run Growth Analysis

- Analytical and Numerical Analysis of the Ramsey Model
- Application: Simulation of the Ramsey Model with MS Excel and with Dynare for Matlab
- Addendum: The Ramsey Model in Continuous Time

Part III. Short-Run Business Cycle Analysis

- Analytical and Numerical Analysis of the Real Business Cycle Model
- Application: Simulation of the Real Business Cycle Model with Dynare for Matlab
- Analytical and Numerical Analysis of the New Keynesian Model
- Application: Simulation of the New Keynesian Model with Dynare for Matlab
- A Behavioral New Keynesian Model
- Application: Simulation of a Behavioral New Keynesian Model with Matlab

Some helpful readings (in alphabetical order):

- Galí, Jordi (2008): “Monetary Policy, Inflation and the Business Cycle”, New Jersey: Princeton University Press.
- Heijdra, Ben J. (2017): “Foundations of Modern Macroeconomics” (3rd edition), Oxford: Oxford University Press.
- Obstfeld, Maurice and Kenneth Rogoff (1996): “Foundations of International Macroeconomics”, Cambridge: The MIT Press.
- Romer, David (2019): “Advanced Macroeconomics” (5th edition), New York: McGraw-Hill Education.
- Uhlig, Harald (2001). A toolkit for analyzing nonlinear dynamic stochastic models easily. In: R. Marimon and A. Scott (eds.) Computational Methods for the Study of Dynamic Economics, Oxford University Press, pp. 30-61.

- Walsh, Carl (2017): "Monetary Theory and Policy" (4th edition), Cambridge: The MIT Press.
- Woodford, Michael (2003): "Interest and Prices: Foundations of a Theory of Monetary Policy", New Jersey: Princeton University Press.
- Further literature and references to journal articles will be announced in class

Class Schedule:

Lecture:

Mon, 2022-10-17, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-10-24, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-10-31, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-11-07, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-11-14, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-11-21, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-11-28, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-12-05, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2022-12-12, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-01-02, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-01-09, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-01-16, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-01-23, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-01-30, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-02-06, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Mon, 2023-02-13, 10:00, - 12:00, room Hs 106 Hörsaal (Garystr. 21)

Methods Tutorial:

Thu, 2022-10-20, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-10-27, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-11-03, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-11-10, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-11-17, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-11-24, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-12-01, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-12-08, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2022-12-15, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-01-05, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-01-12, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-01-19, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-01-26, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-02-02, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-02-09, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)
 Thu, 2023-02-16, 10:00 - 12:00, room Hs 106 Hörsaal (Garystr. 21)

Eligibility:

Master Economics, Schwerpunktbereich Volkswirtschaftstheorie (6LP)
 Master Public Economics, Schwerpunktbereich Makro und Wirtschaftspolitik (6LP)

Registration: Campus-Management

Exam: Final exam at the end of semester (120 minutes) + voluntary group assignments

Course language: English

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