

UNIVERSITY OF COLORADO  
Department of Economics

**ECON7020: MACROECONOMIC THEORY I**  
FALL 2010

DU

**COURSE DESCRIPTION**

**EVALUATION**

<b>Evaluation</b>	<b>Date</b>	<b>%</b>
Term Test 1	Week 6: 30 September	25
Term Test 2	Week 12: 9 November	25
Final Exam	13 December from 16:30 to 19:00	50

## REQUIRED TEXTS

- Ljungqvist, Lars and Thomas Sargent, *Recursive Macroeconomic Theory*, Blackwell, 2004.
- Dornbusch, Rüdiger, *Advanced Macroeconomics*, North-Holland, 2006.

## BACKGROUND TEXTS

- Barro, Robert J. and James S. Glick, *Economic Growth*, North-Holland, 2003.
- Feldstein, Martin, *Lectures on Macroeconomics*, Blackwell, 2004.
- Davutyan, N. K., *Optimization in Economic Theory*, Springer, 2004.
- Eichengreen, Barry, *The Macroeconomics of Self-Fulfilling Prophecies*, Blackwell, 2004.
- Sargent, Thomas J., *Dynamic Macroeconomic Theory*, Blackwell, 2004.

# COURSE OUTLINE

## I. INTRODUCTION

- $k_t$
- $F(k_t, L_t)$
- $D_t$
- $A_t v_t S_t$

## II. REVIEW: TWO-PERIOD ECONOMIES

- $L_t, N_t, S_t$
- $A_t x_t$
- $L_t, N_t, S_t$
- $E_t$
- $A_t$
- $L_t, N_t, S_t$  6



#### IV. STOCHASTIC ECONOMIES

- $x_t = U_t$
- $D_t$
- $E_t$
- $L_t = v_t S_t$

- $F_t$  6
- $I_t$  7
- $S_t$

H.  $b_t$ ,  $S_t$ ,  $L_t$   
 H.  $v_t$ , *Journal of Political Economy* 86, 7-

- $F_t$  6
- $I_t$  7

H.  $F_t$ ,  $b_t$ ,  $q_t$ ,  $Av_t$ ,  $q$ ,  $AN$   
*Econometrica* 50, 49

$L_t = x_t S_t$

- $I_t$  6
- $E_t$
- $L_t = v_t S_t$  7
- $I_t$

$K_t = b_t G_t$ ,  $S_t = b_t$   
 $G_t = \gamma_t$ ,  $N_t$ , *Journal of Monetary Economics* 7, 67-