

# EC 4010: Macroeconomics

## Instructor

Paul Scanlon,  
Department of Economics.

OFFICE: Arts Building, Rm 3006.

OFFICE HOURS: F, 3pm-4.30pm and by appointment.

## Course Information

TIME: F, 10:00-12:00pm, AP 2.03

## Introduction

This is a course on advanced macroeconomics, building on the foundations developed in the macroeconomics component of EC3010.

## Organisation

Classes are on Friday at 2pm in Room 4050B (Arts Block). Classes will begin in the second week of term.

## Assessment

There will be a test on Friday 19th November. This will contribute 10 percent towards your course grade for EC 4010. The macroeconomics component of the final exam contributes 40 percent towards your mark for EC 4010.

## Outline

### 1. Monetary Economics

Short and Long-Run Interest Rates. The yield curve. International monetary economics. Interest rate parity (UIP). Taylor Rule. Asset pricing and risk premia.

(a) Romer, Chapters 5 and 10.

(b) Ben Bernanke, "The Global Saving Glut and the U.S. Current Account Deficit."

<http://www.federalreserve.gov/boarddocs/speeches/2005/200503102/default.htm>

(c) Roger Ferguson, "Equilibrium Real Interest Rate: Theory and Application."

<http://www.federalreserve.gov/boardDocs/Speeches/2004/20041029/default.htm>

### 2. New Keynesian Economics

The New Keynesian Phillips Curve and Inflation Dynamics. Romer, Chapter 6

### 3. Real Business Cycle Theory

Romer, Chapter 4

### 4. Endogenous Growth Theory

Introduction to Ramsey Neoclassical Growth Model. Endogenous Growth Theory:  
The Romer Growth Model

### 5. Public Finance and Taxation

Optimal Taxation, Tax smoothing, the Ramsey Rule.

### 6. The Labour Market and the Macroeconomy

Search Theory.

## Textbooks

The main texts are

1. Romer, David, *Advanced Macroeconomics*, 3rd edition, McGraw Hill (2006).
2. Sorensen Peter and Hans Whitta-Jacobsen, *Introducing Advanced Macroeconomics: Growth and Business Cycles*, McGraw Hill (2005).
3. Frederic S. Mishkin - *The Economics Of Money, Banking, And Financial Markets*.

In addition, there are some good texts available for free online.

*Macroeconomics:*

<http://www.econ.ucla.edu/doepke/teaching/textbook/index.html>

*Macroeconomic Theory and Policy:*

<http://econpapers.repec.org/bookchap/oettbooks/prin14.htm>

*Dynamic Fiscal Policy:*

<http://www.econ.upenn.edu/~dkrueger/teaching.php>