

# Advanced Macroeconomics

## Instructor

Paul Scanlon,  
Department of Economics.

OFFICE: Arts Building, Rm 3006.

OFFICE HOURS: F, 3pm-4.30pm, T, 3pm-4pm, and by appointment.

## Course Information

TIME: T, 4:00-6:00pm, IIS Room

## Introduction

This is a course on advanced macroeconomics. The goal is to present theory from various subfields of macroeconomics, placing emphasis on existing research questions.

## Assessment

The assessment will comprise reviews of four papers: students are required to outline three strengths and weaknesses of each assigned paper. Assignments are due at the start of class each week.

## Outline

Further readings to be announced.

### 1. Asset Pricing

- (a) John Cochrane “Financial Markets and the Real Economy.”
- (b) Narayana Kocherlakota. “The Equity Premium, Why Is It a Puzzle?”

### 2. International Risk Sharing

- (a) Michael Brandt, John Cochrane, and Pedro Santa-Clara. “International Risk Sharing is Better than you Think, or Exchange Rates are too Smooth.”
- (b) David K. Backus, Patrick J. Kehoe, and Finn E. Kydland, “International Real Business Cycles.”

### 3. New Keynesian Open Economy Model

- (a) Gali, Jordi, “Monetary Policy, Inflation and the Business Cycle,” Chapter 7.

### 4. Labour Markets

- (a) Albert Alesina, Edward Glaeser, and Bruce Sacerdote, “Work and Leisure in the U.S. and Europe: Why So Different?,” NBER Macroeconomics Annual 1995.
- (b) Edward Prescott, “Why Do Americans Work So Much More Than Europeans?”
- (c) Richard Rogerson, “Understanding Differences in Hours Worked.”
- (d) Robert Shimer, ”Convergence in Macroeconomics: The Labor Wedge.”