

Macroeconomics

Type of course: Optional

Room: E-22

Instructor: Julián Díaz-Saavedra

Office: B-322

Office Hours: by appointment

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Purpose

The main object of the course is the study of the workhorses of Macroeconomics, the Infinity Horizon Model and the Overlapping Generations Model. These models serve as a building blocks in much of modern macroeconomics. They shed light on the fundamental issues of the determinants of saving, the role of fiscal policy in affecting capital accumulation, the effects of ageing, etc. The course will present these models, analyze their algebraic resolution, and will also show the use of these models by macroeconomists.

Syllabus

A) First Part

1. The Infinite Horizon Model
2. The Overlapping Generations Model

B) Second Part

3. Fiscal policy
4. Ageing
5. Other issues: Growth, Automation, Environment, etc

Evaluation

The evaluation of this course will consist in a research paper presentation and two exams. The weight of each in the final grade will be:

- First exam: 40%
- Second exam: 40%
- Paper presentation: 20%

Recommended reading

- Torres J.L., 2013. Introduction to Dynamic Macroeconomic General Equilibrium Models. Chapter 1. Vernon Press
- Romer D., 2001, Advanced Macroeconomics, McGraw-Hill.
- Blanchard O., and S. Fischer, 1996. Lectures on Macroeconomics. Chapter 3. The MIT Press.
- Barro, R. and X. Sala-i-Martin, 1995. Economic Growth. Chapter 2. McGraw-Hill.
- Auerbach A. and L. Kotlikoff , 1987. Dynamic Fiscal policy. Chapter 3. Cambridge University Press.