

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 John Sargent, *Recursive Macroeconomic Theory*, Boston: MIT Press, 2004.
- Dornbusch, Rudi, *Advanced Macroeconomics*, New York: McGraw-Hill, 2006.

## BACKGROUND TEXTS

- Barro, Robert J., and Xavier Sala-i-Martin, *Economic Growth*, New York: McGraw-Hill, 2004.
- Feldstein, Martin, and J. Sargent, *Lectures on Macroeconomics*, Boston: MIT Press, 2004.
- Davutyan, N., and K. Wallis, *Optimization in Economic Theory*, South-Western Publishing, 2004.
- Eichengreen, Bruce, *The Macroeconomics of Self-Fulfilling Prophecies*, Boston: MIT Press, 2004.
- Sargent, John D., and J. Wallace, *Dynamic Macroeconomic Theory*, Boston: McGraw-Hill, 1975.

# COURSE OUTLINE

## I. INTRODUCTION

- $k_t$
- $F_t$
- $D_t$
- $A_t$   $v_t$   $S_t$

## 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
- $7$
- $S_t$

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

- $F_t$  6
- $7$

H  $F_t$   $b_t$   $q_t$   $Av_t$   $q$   $AN$   
*Econometrica* 50, 4

$L_t$   $x_t$   $S_t$

- $6$
- $E_t$

- $E_t$
- $L_t$   $v_t$   $S_t$  7

•  $K_t$   $b_t$   $G_t$   $S_t$   $b_t$   
 $G_t$   $N$ , *Journal of Monetary Economics* 7, 67-