Financial macroeconomics

ECTS : 3

Description du contenu de l'enseignement :

Course outline (tentative)

1. Deterministic dynamic optimization problems.

a. Firm's hiring decision

b. Consumption & Savings Under Uncertainty

c. Theory of Investment

2. Asset pricing and risk.

a. Equity premium puzzle

3. Monetary economics.

a. Introducing money. Classical issues in monetary economics.

b. Introducing price setting. Monetary economics with frictions.

c. Monetary policy.

Compétence à acquérir :

This course studies the theoretical foundations of modern macroeconomics. The goal of the course is to develop intuition that can help us understand the dynamics of key macroeconomic variables and use formal models to derive policy implications. The students will be provided with the mathematical tools used in constructing dynamic stochastic general equilibrium models.

Mode de contrôle des connaissances :

The grades will be determined as follows: homeworks, 10%; final project, together with its presentation, 90%.

Bibliographie, lectures recommandées :

The textbooks for the course are:

- Stokey, Nancy L., Robert E. Lucas, Jr., and Edward C. Prescott: Recursive Methods in Economic Dynamics. Cambridge: Harvard University Press, 1989.
- Ljungquist, Lars and Thomas J. Sargent: Recursive Macroeconomic Theory. Second Edition. MIT Press. 2004.
- Galí, Jordi. Monetary Policy, Inflation, and the Business Cycle: an Introduction to the New Keynesian Framework. Princeton University Press, 2008
- Cochrane, John H. Asset Pricing:(Revised Edition). Princeton university press, 2005.

Additional reading materials and the related readings will be made available later.