Macroeconomic Theory
Syllabus

Fall 2014

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Office Hours: Thursdays 1-2:20 pm or by appointment

Course description
This course is an introduction to advanced modern macroeconomics. Its goal is to provide an overview of the major theories concerning central questions in macroeconomics. A substantial portion will be devoted to models of long-term economic growth, and business cycles, as well as to issues related to open economy macroeconomics.

Course Grading
There will be a mid-term exam, worth 30% of your final grade, and final exam, worth 40% of your grade. You are also required to write and present a paper for 25% of your grade. The presentation will take place on the week before the last week of classes.

You are also required to read and present one paper from the list below. The presentation is worth 5% of your final grade.

I will hand out problems from time to time. We will discuss some of these in class.

Course Materials
The course will be based on lecture notes but will draw on materials from the following books:

Modern Macroeconomics, Its Origins, Development and Current State, by Brian Snowdon and Howard Vane, 2005,


The books are intended to provide students with supplemental reading on topics covered in lectures. Some lecture topics will not be covered in the textbooks. To provide students with an additional resource, I will place all my lecture notes on the course website in Blackboard before class. Additional journal articles will be recommended during lectures.
Course Outline

Part I

Overview

Editorial and accompanying opinion pieces, "What Went Wrong with Economics?", "The Other Worldly Philosophers", and "Efficiency and Beyond", The Economist, July 16th, 2009.

"Symposium: Macroeconomics after the Financial Crisis", Journal of Economic Perspectives (JEP), Volume 24, No. 4, Fall 2010, pages 3-102. (Articles by Robert H. Hall, Michael Woodford, Lee E. Ohanian; Andreas Fuster et al., and Ricardo J. Caballero)

I.1 Neoclassical Macroeconomic Models
Snowdon and Vane, chapter 2

I.2 Keynesian Macroeconomic Models
Snowdon and Vane, chapters 2, 3
Krugman, P. “There’s something about macro”,
http://web.mit.edu/krugman/www/islm.html
Hicks, J. (1937) “Mr. Keynes and the Classics: A Suggested Interpretation” Econometrica

1.3 Monetarism/New classical macroeconomic models
Snowdon and Vane, chapters 5 and 6
Plosser, Ch. (1989) "Understanding Real Business Cycles". JEP

I.3 Contemporary Debates in Macroeconomics
John B. Taylor, “Macroeconomic Lessons from the Great Deviation (pp. 387-395)
Ohanian, Lee, 2010,“The Economic Crisis from a Neo classical perspective”, JEP, vol. 24(4)
Reinhart, Carmen & Rogoff, Kenneth, (2009). "This Time It’s Different: Eight Centuries of Financial Folly-Preface,
Krugman, P. (2009), “How Did Economists Get It So Wrong?”, NY Times

Part II – Economic Growth
Snowdon and Vane, chapter 11

II.1 Growth Facts and the world income distribution
Piketty, Thomas (2014) “Capital in the Twenty-First Century”
II.2 The Neoclassical Growth Model
Peter J. Klenow, Andrés Rodríguez-Clare, “The Neoclassical Revival in Growth Economics: Has It Gone Too Far?”, In: NBER Macroeconomics Annual 1997, Volume 12, pp. 73-103

II.3 Endogenous Growth Theory
Solow R. (1994) “Perspectives on Growth Theory” JEP
Romer, P. (1986) “Increasing Returns and Long-Run Growth” JPE

Part IV – Open Economy Macroeconomics