



## Syllabus

### Advanced Macroeconomics (2023/24)

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**General information:** This is a compulsory module in the 1st semester in the Master's program in Economics at the University of Hohenheim. It consists of lectures and accompanying tutorials. Lectures and tutorials will take place on campus.

**Frequency:** once a year (winter term)

**Credits** (lecture plus tutorials): 6 ECTS

**Course language:** English

**Examination type:** written exam on campus (90 minutes) at the end of the semester with the possibility of retake near the beginning of the following semester.

#### **Objective:**

The aim of the course is to provide students with a solid understanding of important macroeconomic models explaining business cycle fluctuations and economic growth. The lecture also sheds some light on the ongoing debate between (New) Keynesian and (Neo-) Classical economists on the role of governments and central banks in stabilizing a market economy. Accompanying tutorials offer students the opportunity to get a deeper understanding of the topics dealt with in the lecture. Students *must* attempt to solve the problem sets – in groups or individually. One of the major goals of the course is to acquaint the students with the analytical tools commonly used in modern macroeconomics. The *only* way to become proficient in their use is to solve exercises on one's own.

## **Course requirements**

- Solid understanding of intermediate macroeconomics as summarized, for example, in Blanchard, O., *Macroeconomics*, 5<sup>th</sup> or 6<sup>th</sup> edition, chapters 2-8.
- Introductory reading for the course: Mankiw, N. G. (2006), *The Macroeconomist as Scientist and Engineer*, *Journal of Economic Perspectives* 20(4), pp. 22-46.

## **Literature:** Selected chapters from:

- Acemoglu, D. (2009), *Introduction to Modern Economic Growth*, Princeton University Press.
- Heijdra, B. J. (2017), *Foundations of Modern Macroeconomics*, 3<sup>rd</sup> edition, Oxford University Press.
- Romer, D. (2018), *Advanced Macroeconomics*, 5<sup>th</sup> edition, McGraw-Hill.

Additional literature is announced in the lectures.

## **Contents**

### **Part I: Important Concepts in Macroeconomics**

1. **Macroeconomics and Economic Policy**
2. **Trend and Cycle**

### **Part II: Business Cycles and Stabilization Policy**

3. **Keynesian Demand Management**
4. **Rational Expectations and Economic Policy**
5. **The Government Budget Deficit and Ricardian Equivalence**

### **Part III: Economic Growth**

6. **The Solow Growth Model**
7. **The Ramsey Model**
8. **The Diamond Overlapping-Generations Model**

### **Part IV: Some Recent Developments in Macroeconomics**