

Economics 502

Macroeconomic Theory

Spring 2018

Class Time & Location

Tue & Thu 9:30AM-10:45AM
PHO 211

Course Website

Blackboard at <https://learn.bu.edu>

Instructor:

Pascual Restrepo (pascual@bu.edu)

Office Hours:

Fri 10:30AM-12:00PM, SSW 404

Teaching Assistants:

Dongling Su (dlsu@bu.edu)

Zhouxiang Shen (zxshen@bu.edu)

TA sessions:

Fri 12:20-1:35PM, PHO 211

Also available via email or by appointment

Course Overview

The course explores theoretical and empirical issues of central importance for macroeconomics. The major topics covered in the course include economic growth, consumption and savings, investment, business cycle fluctuations, unemployment, the relationship between monetary policy and output, and optimal monetary policy. The course emphasizes the implications of macroeconomic theory for macroeconomic data. Readings include selected chapters from the textbook, class notes, and research articles.

Textbooks and Readings

- Lecture notes and selected readings will be posted on the course Blackboard website. These notes are meant to be self-contained.
- Romer, David. *Advanced Macroeconomics*, 4th Edition, McGraw-Hill. Recommended.

Course Requirements

One Midterm Examination (30% of Grade)

Held in class on **March 7th, 2019**.

One Final Examination (40% of Grade)

Held on Wednesday, **May 8th, 2019**, at a time and location determined by the BU Registrar.

Six Problem Sets (30% of Grade)

These problem sets will be made available on the course Blackboard site, and due dates will be indicated in class. You are allowed to work in groups of no more than 5 students on the problem sets. If you do work in groups, you must list your group members. Each student must turn in their own unique writeup of the solutions to receive credit. Unless otherwise indicated, problem sets are due at the beginning of class. You will receive a grade of 0, ✓ -, ✓, or ✓ +, with at least a ✓ if you attempt all the problems.

Regrade Policy

If you do not agree with your score on an exam, you may ask for a regrade. I will regrade the entire test personally, and you may lose points as well as gain.

Course Outline

Economic Growth

- Production Functions
- Solow Growth Model
- Growth Accounting
- Convergence
- Growth Empirics
- Endogenous Growth

Business Cycle Fluctuations

- Consumption and Savings
- Investment
- Real Business Cycles
- Monetary & New Keynesian Economics
- Monetary & Fiscal Policy
- Financial Crises & the Great Recession

Important Dates

- January 22: First class.
- February 7: No class.
- February 19: No class.
- March 7: Midterm exam.
- March 11-17: Spring recess (no classes).
- May 2: Last day of classes.
- May 8: Final exam.