



47802 – MACROECONOMICS 1

ALI SHOURIDEH

Instructor: ALI SHOURIDEH

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Office: TEP 5103

Office Hours: by appointment.

Class room number: TEP 4219

Class times: TUE-THURSDAY 8:30AM -10:20AM

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Course Description

This is an introductory course to modern macroeconomics. We will cover topics from basic growth theory to labor markets, asset pricing and government policy.

Course Goals

The aim of the course is twofolds. First, I would like to make you familiar with basic questions that we would like to answer in macroeconomics. What determines the cross-country differences in income level and growth rates? What are the determinants of business cycles? Why is there unemployment? How should governments design policies over time? We will start with these basic questions and by the end of the course you should have a sense of what type questions macroeconomists ask and what to look for.

Second, you should learn the techniques that are used and developed in macro to think about and answer these questions. These are models and the mathematical tools that are required to analyze these models.

Thursday Coffee Hours

Every Thursday afternoon at 2:30PM, we will have a macro coffee hour where we talk about macro and other issues in grad school. We'll meet in my office and head out for coffee.



Course Materials

The required textbooks are:

Recursive Macroeconomic Theory, Third Edition, 2012, Lars Ljungqvist and Thomas Sargent, MIT Press,

Recursive Methods in Economic Dynamics, 1989, Nancy Stokey, Robert Lucas, and Ed Prescott, Harvard University Press.

Additional useful textbook (but not required) is:

Introduction to Modern Economic Growth, 2009, Daron Acemoglu, Princeton University Press

Grading

Grading will be based on:

1. Six homeworks, 40%
2. One midterm exam, 25%
3. Final exam, 35%

Homeworks are an important part of this course as you will really learn the techniques by actually doing them! They can be done in groups of up to size 2. They will be posted each Thursday and will be due on the next Thursday.



Schedule and course outline

The following is a tentative schedule organized by weeks.

| Lectures | | |
|-----------|------------------------------------|---|
| 1 and 2 | Introduction and Economic Growth | Economic Growth Dynamic Programming |
| 3 and 4 | Economic Growth Other models | Economic Growth Shocks |
| 5 and 6 | Economic Growth Continuous Time | Optimal Fiscal Policy in Growth Models |
| 7 and 8 | Midterm | Optimal Fiscal Policy in Growth Models |
| 9 and 10 | Business Cycles | Business Cycles and Asset Pricing |
| 11 and 12 | Search and Labor Markets | Search and Labor Markets |
| 13 and 14 | Introducing Money | Models of Monetary Economics |