Syllabus

Subject Objectives: This subject introduces students to some of the tools and questions of modern macroeconomics. This course will combine a mix of theory and applications. The main theories to be covered may include overlapping generations models, dynamic optimisation, real business cycle theory, intertemporal open economy models, frictional labour markets and theories of economic growth. Various theories will be illustrated using examples drawn from domestic and international policy issues, as appropriate.

Prerequisites: ECON30009 Macroeconomics and ECON30010 Microeconomics or equivalent, and some calculus (see the “Math Review” posted on the LMS).

Contact: Three hours of lectures per week. One hour of tutorials per week. My office hours will be from 1:45-2:45pm on Mondays or by appointment. My office is 338 FBE building.

Tutorials: Tutorials start in the second week of semester. Students should be able to enrol online. The tutors for this course are Jim Huang and Omid Mousavi. Their email addresses are jingongh@student.unimelb.edu.au and mousavis@student.unimelb.edu.au.

Assessment: Four assignments (15 per cent), a group presentation (15 per cent), and a final exam (70 per cent). Assignments can be completed in groups of up to three people.

Textbook: The text for this course will be David Romer’s “Advanced Macroeconomics”, fourth edition. We will be following parts of the textbook quite closely, but also drawing upon journal articles at various stages of the course.

Course Outline

The following provides an overview of the material I expect to cover this year.

Topic 0: Introduction to Advanced Macroeconomics

Mankiw, “The Macroeconomist as Scientist and Engineer”, link available on LMS under “Texts”

Topic 1: Solow-Swan Model in Continuous Time

Chapter 1 of Romer

Topic 2: Infinite Horizon Model

Chapter 2, Part A of Romer

Topic 3: Introduction to Dynamic Programming
Class lecture notes

**Topic 4: Overlapping Generations Model**

Chapter 2, Part B of Romer

**Topic 5: Real Business Cycle Theory**

Chapter 5 of Romer

**Topic 6: Models of Financial Frictions**


**Topic 7: Empirical Methods in Macroeconomics**


**Topic 8: Labour Markets**

Chapter 10 of Romer

**Topic 9: Complementarities and Increasing Returns**


**Topic 10: Fiscal and Monetary Policy**

Time permitting, we will cover selected parts from Chapter 6-7 and 11-12 of Romer.

**Special Consideration**

- Students apply for Special Consideration through My Unimelb via the Apply for Special Consideration link under Exams and Assessment in the Admin tab.

- You must submit your online application no later than 3 working days after the due date for submission or examination of the particular component of assessment, to which your application refers.

**Assignment Extensions**
Late submission of an assignment is permitted only where an extension has been granted. Please contact me directly to request an extension. All requests for an extension must be made prior to the assessment due date. Unless an extension has been granted, penalties to the assessment will be applied.

**Plagiarism and Collusion**

- Presenting material from other sources without full acknowledgement (referred to as plagiarism) is heavily penalised. Penalties for plagiarism can include a mark of zero for the piece of assessment or a fail grade for the subject.

- Plagiarism is the presentation by a student of an assignment identified as his or her own work even though it has been copied in whole or in part from another students work, or from any other source (eg. published books, web-based materials or periodicals), without due acknowledgement in the text.

- Collusion is the presentation by a student of an assignment as his or her own work when it is, in fact, the result (in whole or in part) of unauthorised collaboration with another person or persons. Both the student presenting the assignment and the student(s) willingly supplying unauthorised material are considered participants in the act of academic misconduct.

- See http://goo.gl/0UIUr0 for more information.

- CELT has prepared a help sheet on avoiding plagiarism, available at: http://goo.gl/Yg0Xdl

**Referencing**

All sources used for a written piece of assessment must be referenced. This is to acknowledge that your material is not based entirely on your own ideas, but is based, in part, on the ideas, information, and evidence of others. This is desirable as you are attending University in order to learn from others. CELT has several helpsheets on citing and referencing, which are available from the CELT website.