

# **NORTHWESTERN UNIVERSITY**

## **Advanced Topics in Macroeconomics 316**

Fall, 2022

Professor Martin Eichenbaum

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### **BRIEF COURSE DESCRIPTION**

This course examines the causes and consequences of growth and fluctuations in aggregate economic activity. In addition to studying these issues, the course will also provide you with an introduction to advanced methods of analysis in macroeconomics.

### **TEXTBOOK AND CASE PACKET**

The textbook for the course is Advanced Macroeconomics, An Easy Guide, by Filipe Campante, Federico Sturzenegger, Andrés Velasco.

You can download a free copy at

<https://press.lse.ac.uk/site/books/m/10.31389/lsepress.ame/>

Also on course web page (see folder Files/Readings)

You can also purchase a paperback version at the same webpage.

### **EVALUATION**

The grade in this course will be based on a set of Homework Problems (40%), a Midterm Exam (30%) and a Final Exam (30%).

The midterm will be on Oct 24.

Recitations will be held Friday, 3:30-4:50, in ANN G32 (to be confirmed).

### **THE USE OF MATH IN THIS COURSE**

The textbook and some of the readings use a fair amount of math. This should not intimidate you. I will provide you with handouts on the math and go through all derivations in class. In addition, I will provide alternative non-math based derivations of the material that's relevant for the applications we'll cover. We will almost certainly cover less material than is listed on the syllabus. All of the readings, except for the textbook, will be available on the course web page. **There is no way we will get through all of the material on the syllabus!**

### **Syllabus**

1. The Solow Growth Model
  - Textbook (Campante et. al) Chapter 2.
2. Optimizing Dynamic Models of Growth
  - Textbook, Chapter 3.
3. Endogenous Growth
  - Textbook, parts of Ch.5 and 6
  - Rebelo notes (posted on Canvas)
4. Empirics of growth
  - Textbook, Ch. 7
5. Overlapping generations model
  - Textbook, Ch. 8
6. Application: Pensions systems and transitions
  - Textbook, Ch. 9
7. Basic Real Business Cycle model
  - Textbook, Ch. 14
  - Class notes (posted on Canvas)
8. Asset pricing models
  - Textbook (parts of Ch. 11, 12)
  - Cochrane, Ch.2 (posted on Canvas)
  - Class Notes (posted on Canvas)
9. Labor Market Models and Unemployment
  - Textbook, Ch. 16