

School of Economics and Finance

ECON403 Advanced Macroeconomic Theory B

Trimester 2, 2016

COURSE OUTLINE

Prescription

New Keynesian macroeconomics and its implications for Dynamic Stochastic General Equilibrium (DSGE) models.

Course Learning Objectives

By the end of this course students should be able to

1. Display a knowledge of building and analysing macroeconomic models, including their strengths and weaknesses.
2. Display a knowledge of macroeconomic approaches to modeling recessions, inflation and unemployment.
3. Display knowledge of how to identify and estimate models, and how to evaluate them compared to the data.
4. Display knowledge of the main concepts of Dynamic Stochastic General Equilibrium models.
5. Undertake supervised research work on a chosen topic.

Course Content

The overall objective of Advanced Macroeconomic Theory B is to provide an in depth understanding of modern macroeconomic theory. The course focuses mainly on dynamic macroeconomic models, starting real business cycle models into which New Keynesian macroeconomic features are introduced. Models of unemployment are also addressed. Time permitting we will end with a look at models with multiple households that can be used to think about inequality. There is a strong emphasis on understanding, solving, analysing, and evaluating these models. The use of these various models to address current macroeconomic questions will be a constant theme of the course.

Trimester Dates

Teaching Period: Monday 11th July – Friday 14th October

Study Period: Monday 17th October – Thursday 20nd October

Examination Period: Friday 21st October – Saturday 12th November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 22nd July 2015.
2. The standard last date for withdrawal from this course is Friday 23rd September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' form

including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks or [online](#).

Names and Contact Details

Robert Kirkby
Room RWW109 (Railway West Wing, Room 109)
Email: Robert.Kirkby@vuw.ac.nz

Class Times and Room Numbers

Monday 9:30-11:20am, in Railway West Wing RWW128.

Readings

The main relevant textbooks, in decreasing order of relevance, are
Gali, Jordi (2008) - Monetary Policy, Inflation, and the Business Cycle: An Introduction to the New Keynesian Framework.

Pissarides (2000) – Equilibrium Unemployment Theory.

Miao (2014) – Economic Dynamics in Discrete Time.

None of these is required to be purchased. Further reading will be posted on Blackboard.

Mandatory Course RequirementsIn addition to obtaining an overall course mark of 50 or better, students must pass the final exam. Any student who is concerned that they have been (or might be) unable to meet any of the MCRs because of exceptional personal circumstances, should contact the course coordinator as soon as possible.

If you cannot complete an assignment or sit a test or examination, refer to

www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

Expected WorkloadThe course is 15 points and so should require about 150 hours. This averages out to roughly 12 hours per week. This includes the 2 hours of class time per week.

Assessment

Assessment consists of

1. 60%, the final exam.
2. 10%, on short assignments (roughly 2-3 pages, up to weekly)
3. 10%, mid-term test
4. 15%, short project (will be due late in the semester, no later than Friday 17th October)
5. 5%, in-class presentation on project (when submitting short projects)

The Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the following period:

Friday 21st October – Saturday 12th November (inclusive)

Penalties

Coursework submitted late will not be graded.

Group Work

A few hours of group work may be required.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>.

Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

Materials and Equipment

Not applicable.

Student feedback

Student feedback has been largely positive. Further practice materials relating to solving Lagrangian problems has been provided in response to past student suggestions.

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

Communication of Additional Information

Blackboard and email will be used to communicate information during the course.

Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.
