ECON 714: Macroeconomic Theory II

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Course Schedule:
Lectures: Monday and Wednesday from 10:00-11:15, Social Science 6104
All course materials will be on the class web page: http://www.ssc.wisc.edu/~nwilliam/Econ7124
Requirements for this portion of the class include attendance at the lectures, problem sets (40% of grade), and a midterm (60%). No late homework will be accepted.
The midterm (final for this portion) will be in class on March 9.

Schedule of topics (subject to change, see web page):
1. Labor market search and search equilibrium
2. Asset pricing
3. Fiscal policy
4. Incomplete markets
5. Limited commitment and private information
6. Monetary models: classical models and search
7. The New Keynesian model and monetary policy

There are no required textbooks for the course, but we’ll use some of the following books:
Reading List
Subject to change, check the class web page for updates. More crucial readings are marked *.

Search labor models:
*LS, Chapter 6


Asset pricing:
*SLP, Chapter 9.

*LS, Chapters 8, 13.


Fiscal policy:
*LS, Chapter 10, 15.1-15.7.


Limited commitment and private information models
*LS, Chapters 19-20


Monetary models:
Currency in the utility function:
*Walsh, Chapter 2

Shopping time and cash-in-advance models:
*Walsh, Chapter 3,
LS, Chapter 24

Search models:
*Walsh, Chapter 3.4.2
*LS, Chapter 26.8

The New Keynesian model
*Walsh, Chapter 5.4, 11

Woodford, *Interest and Prices*, Chapter 3.1-3.2, 4.1