Advanced Macroeconomics

Peking University HSBC Business School 2015 Fall

This course is a fundamental course. This course introduces basic macroeconomic tools used for analysis. It mainly covers the first part of David Romer’s Advanced Macroeconomics textbook, with China content added. This textbook is famous for its growth theory materials, which takes a large part of the book. China is a superstar growth engine for 30 years, which is the largest economic transformation in human history. China is expected to be the world’s largest economy soon. Growth and development are no doubt the important issues facing China. That’s why this course mainly focuses on growth and also growth is the foundation for subsequent macroeconomic analysis.

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Teaching Assistant: TBA
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Prerequisite:
Mankiw, Gregory “Principle of Macroeconomics” 5th Edition
High Math (at least know how to solve maximization problem, such as Lagrange method)

Class Materials
David Romer’s Advanced Macroeconomics 4th edition
Various papers downloadable.

Assessment:

Enrollment (10%)

Homework (40%): There will be two homeworks. Late homework is not accepted under any circumstances.

Final Exam (50%)

Teaching Schedule: (I will teach in the following order. But the exact time will depend on the proceeding of the class. )

1. Review of undergraduate growth theory and introduction to growth facts

2. The Solow Model
http://www.jstor.org/stable/1884513

http://www.jstor.org/stable/2006549

http://www.jstor.org/stable/1807174

http://www.jstor.org/stable/41237142


http://dx.doi.org/10.1093/qje/qju018

http://www.mit.edu/~mrognlie/piketty_diminishing_returns.pdf

3. The Ramsey-Cass-Koopmans Model and Dynamic Optimization

*David Romer, Advanced Macroeconomics, fourth edition, Chapter 2.


4. Endogenous Growth Theory


http://www.jstor.org/stable/2937632


http://dx.doi.org/10.1016/0304-3932(88)90168-7


http://dx.doi.org/10.1016/S1574-0684(05)01016-6


http://www.jstor.org/stable/2118448


5. Cross-Country Income Differences


6. China (Depends on class progress)


7. Real Business Cycle Theory (Depends on class progress)

*David Romer, Advanced Macroeconomics, fourth edition, Chapter 5.