
ADVANCED MACROECONOMICS

COURSE OUTLINE

Advan_Mac_OUT_F_2017

Fall 2017

Professor : Hassouna Moussa

Office Location: BAC 347
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Office Hours: Tuesday and Thursday 11:00 am 12:00 am

RECOMMENDED TEXTBOOKS

Lecture Notes H. Moussa, 2015

Romer D. "Advanced Macroeconomics" McGraw Hill. Third edition 2006, Third edition 2006-2011

Objectives and Methodology:

Welcome to this course of Advanced Macroeconomics. This course is meant to provide a transition between undergraduate and graduate level macroeconomics. The prerequisites for this course are: intermediate macroeconomics, empirical analysis in economics and business (Econ 2613, 2623), Mathematical Economics and preferably Econometrics.

Advanced Macroeconomics is not a repetition of intermediate macroeconomics. It is rather a deepening and a continuation. Since it is a transition course, the student will be asked not to restrict his/her attention to any particular textbook. Textbooks are meant to provide guidelines. Students are expected to read, use and comment on papers. Students are urged to assess economic theory critically and participate in class discussion with original ideas. For this purpose, the student will find it necessary to make readings of several pieces on economic policy at the elementary level. He/she will also be asked to write a serious paper on macroeconomic policy preferably using statistical analysis.

The course will give the student an opportunity to apply the analytical tools of macro and micro economic theory and will help him/her understand issues of unemployment, inflation, and business cycles. It will also consider such issues as the role of government, the consumer, the worker and business in the stabilization of economic activity and employment in an open economy with substantial international trade flows and buffeted by large possibly capricious movements of financial capital.

COURSE OUTLINE:

Weeks 1 and 2:	Economic Growth and technological progress Moussa, Chapter 1, Romer, Chapter 1, Domar,
Week 3	Economic Growth and Money Moussa Chapter 12, Tobin
Week 4	Consumption Function and the Life Cycle Hypothesis. Moussa Chapter 2, Romer Chapter 7, Modigliani 1985, Hall 1978
Weeks 5 and 6	Investment Moussa Chapter 3, Romer chapter 8
Week 7	International Trade and Financial Capital Movements. Purchasing Power Parity, Interest Rate Parity, and rate of change of the exchange rate. Moussa Chapter 4, Dornbush Chapter 11, Romer Chapter 5

Week 8	Friedman's Criticism of Keynesian Economic Theory Friedman, Romer chapter 5 The natural rate of unemployment Barro Chapter 11, Moussa, Chapter 5
Week 9	Savings and technological progress in a growing economy, Romer Chapter 3 new growth theory
Week 10	Rational Expectations, the Phillips Curve and Monetary and Fiscal Policies Wallace and Sargent, Moussa Chapter 12, Romer chapter 6
Week 11	Determinants of Interest Rates, Ricardian Equivalence, and Government Budget Deficits Moussa Chapter 8, Romer Chapter 11. Barro Chapters 10 and 12, Kormendi
Week 12	Wage and Price Flexibility and the costs of disinflation Moussa, Chapter 10, Scarth Chapter 4
Week 13	Real Business Cycles, Moussa Chapter 9, Romer Chapter 4, King Plosser and Rebelo.

GRADING SYSTEM

There will be three assignments, a paper, a midterm exam and a final exam.

	Due Date	Weight
Assignments	See Assignments Schedule below	15
Paper	November 30, 2017	15
Midterm Exam	November 1, 2017	35
Final Exam	To be announced	35

ASSIGNMENTS SCHEDULE

Assignment	Distribution Date	Due Date
1	September 21, 2017	September 30, 2017
2	October 2, 2017	October 19, 2017
3	November 15	November 24, 2017

