

Modern Macroeconomics I Syllabus

Katsuya Takii

Purpose: The Course is designed to understand the basic concept and framework of modern macroeconomics. The theories are supplemented by relevant empirical evidence.

Recommended textbook:

1. Romer, D., *Advanced Macroeconomics*, Boston, McGrawHill.
2. Mankiw, *Macroeconomics*, New York, Worth Publishers.

Grading Policy: Written Examinations: 30% on a midterm and 70% on a final exam.

Office hour: Room 602, 12:30-1:30 on Monday. Appointment is required for other time.

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Assignments:

1. I will post my lecture note on my website. It shows every discussion which I skip in my lecture, such as the mathematical derivations of equations. Students are expected to fully understand the lecture note.
2. I will provide questions after the completion of each topic. You are asked to turn them in. The sample answers will be posted on my website. I will encourage students to cooperate each other to solve the questions.

Remarks:

- I assume that students have already taken Decision Theory.
- The level of this course will be comparable with the one for the 3rd or 4th year undergraduate students in the department of economics.
- I must assume that students know a basic calculus, linear algebra and a basic statistics.
- I will teach this course in English (supplemented by Japanese if necessary.) I encourage students to make comments and questions in English. However, I will not prevent students from asking questions in Japanese. I can discuss your questions and comments in Japanese or English at my office hour.

Preliminary Course Outline (subjected to change):

1. *The concept of National Income Accounting (1 week):*

Chapter 2 in Mankiw, *Macroeconomics (4th edition)*, New York, Worth Publishers.

2. *The Framework of Macroeconomics (1 week):*

Chapter 3 in Mankiw, *Macroeconomics (4th edition)*, New York, Worth Publishers.

3. *Economic Growth and Nation's income (4 weeks):*

Mankiw, *Macroeconomics (4th edition)*, New York, Worth Publishers, Chapter 3, 4 and 5

Romer, D., *Advanced Macroeconomics (2nd edition)*, Boston, McGrawHill, Chapter 1 and 3

Midterm Exam (1 week):

4. *Stabilization Policy (4 weeks):*

Yoshikawa, Hiroshi, *Gendai Macro Keizaigaku Kenkyu?*, Chapter 1 and 2

Mankiw, *Macroeconomics (4th edition)*, New York, Worth Publishers, Chapter 6, 7, 9, 10, 11, 13 and 14.

5. *Lucas's Critique and Micro Foundation (3 weeks): Consumption and Investment.*

Mankiw, *Macroeconomics (4th edition)*, New York, Worth Publishers, Chapter 16 and 17.

Romer, D., *Advanced Macroeconomics (2nd edition)*, Boston, McGrawHill., Chapter 7 and 8

Abel, Andrew B. (1990) "Consumption and Investment," *Handbook of Monetary Economics*

Final Exam(1 week).