Macroeconomics Economics 210Ab Fall 2003

Professor Marjorie Flavin

Romer, Chapter 2: sections 2.10-2.1

lectures: Monday and Wednesday, 2:00-3:20, room 300 office: 216 office hours: email: mflavin@ucsd.edu

Textbooks:

Olivier Blanchard and Stanley Fischer, Lectures on Macroeconomics, MIT Press, 1989.

* Barro, Robert J. (1974) "Are Government Bonds Net Wealth?" Journal of Political Economy

David Romer, Advanced Macroeconomics, McGraw-Hill, 1996.

Required readings are indicated with a star (*). The papers which appear on the reading list but are not starred are some of the classics whose content has been thoroughly absorbed into the basic fabric of the field. It is not necessary for you to read them, but I've listed a small number of them to recognize the importance of their contribution. You might enjoy reading them in part to see how the model evolves as it moves from the original paper to the workhorse model in the literature.

Course requirements:

Problem sets: Two problem sets will be assigned, and combined, will account for 20% of your grade for this half of the course. Collaboration on the problem sets is permitted, but each student must hand in their own write up of the answers. Working through the problem sets is one of the best ways of preparing for the exam.

Exam: The final exam will be a 1.5 hour exam given during finals week. The exam will cover material from this half of the course only; it will not cover the material from 210Aa.

Overall grades from the two halves of the course will be averaged to determine your and grade for 210A.

210Ab: Macroeconomics Reading list

The overlapping generations model, with and without money

Blanchard and Fischer, Chapter 3: sections 3.1 and 3.2, Chapter 4: section 4.1.

Romer, Chapter 2: sections 2.10-2.14.

* Abel, Andrew, N. Gregory Mankiw, Lawrence H. Summers, and Richard Zeckhauser (1989) "Assessing Dynamic Efficiency: Theory and Evidence" *Review of Economic Studies* 56 (Jan): 1-20.

* Barro, Robert J. (1974) "Are Government Bonds Net Wealth?" *Journal of Political Economy*, 82, 6 (Dec), 1095-1117.

Diamond, Peter A. (1965) "National Debt in a Neoclassical Growth Model", *American Economic Review*, 55, 5 (Dec), 1126-1150.

* Kotlikoff, Laurence J., and Lawrence H. Summers (1981) "The Role of Intergenerational Transfers in Aggregate Capital Accumulation" *Journal of Political Economy* 89, 4 (Aug) 706-732.

Samuleson, Paul A. (1958) "An Exact Consumption Loan Model of Interest with and without the Social Contrivance of Money", *Journal of Political Economy*, 66 (Dec): 467-482.

Money, Inflation, and Seigniorage

* Blanchard and Fischer, Chapter 4: sections 4.5, 4.6, 4.7, Chapter 5: sections 5.1, 5.2.

* Romer, Chapter 9: Sections 9.1-9.5, 9.7-9.8.

* Persson, Torsten, and Tabellini, Guido (1993) "Designing Institutions for Monetary Stability" *Carnegie Rochester Conference Series on Public Policy*, 39 (Dec) 53-84.

* Rogoff, Kenneth (1985) "The Optimal Degree of Commitment to an Intermediate Monetary Target" *Quarterly Journal of Economics* 100 (Nov) 1169-1189.

Sidrauski, Miguel (1976b). "Inflation and Economic Growth" *Journal of Political Economy* 75 (Dec) 798-810.

* Svensson, Lars E. O. (1985) "Money and Asset Prices in a Cash-in-Advance Economy", *Journal of Political Economy*, 93, 5 (Oct) 919-944.