

UNIVERSITY OF COLORADO  
Department of Economics

**ECON7020: MACROECONOMIC THEORY I**  
**FALL 2017**

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Instructor:	Martin Boileau
Class:	Econ 119; TTH 12:30 to 13:45
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**COURSE DESCRIPTION**

This course is an introduction to modern macroeconomic theory. We will focus our attention on dynamic optimization and general equilibrium models. Most of the typical topics in macroeconomics are covered. These topics includes growth, consumption, production, investment, fiscal policy, and monetary policy.

The course has two objectives. The first is the presentation of the tools required to study dynamic, stochastic, general equilibrium models. The second is the application of these tools to topics in macroeconomics.

**EVALUATION**

The assessment for this class consists of a two (2) term test and a final exam. Tests and final exam are closed notes and closed books. No make-up tests will be given. The tentative schedule and the grade distribution are displayed in the table below.

<b>Evaluation</b>	<b>Date</b>	<b>%</b>
Term Test 1	Week 6: 5 October	25
Term Test 2	Week 12: 16 November	25
Final Exam	18 December from 16:30 to 19:00	50



# COURSE OUTLINE

## IV. INFINITE HORIZON ECONOMIES: DISCRETE TIME

1. Dynamic Programming
  - Dixit: Chapters 10 and 11
  - Ljungqvist and Sargent: Chapters 2 to 5
2. The Neoclassical Growth Model
  - Boileau, Lecture Notes.
  - Ljungqvist and Sargent: Chapter 15

## V. INFINITE HORIZON ECONOMIES: CONTINUOUS TIME

1. Hamiltonian
  - Boileau, Lecture Notes.
  - Dixit: Chapters 10 and 11
  - Intriligator: Chapters 11 to 15
2. The Neoclassical Growth Model
  - Barro and Sala-i-Martin: Chapter 2
  - Blanchard and Fischer: Chapter 2
  - Intriligator: Chapter 16
  - Romer: Chapter 2 part A

## VI. ISSUES IN THE REPRESENTATIVE AGENT GROWTH MODEL

1. Taxation
  - Ljungqvist and Sargent: Chapters 10 and 11
2. Endogenous Growth
  - Barro and Sala-i-Martin: Chapters 4 and 5

## VII. OVERLAPPING GENERATIONS MODELS

1. Discrete Time: OLG
  - Romer: Chapter 2 part B
2. Continuous Time: Perpetual Youth
  - Banchard, O., 1985. Debt, Deficits, and Finite Horizon. *Journal of Political Economy* **93**.
  - *Blanchard and Fisher*: Chapter 3.3

## University Policies

You should familiarize yourself with the following University of Colorado policies:

### **ACCOMMODATION FOR DISABILITIES**

All faculty assume responsibility for ensuring that their individual courses and content are accessible to all students. Please utilize principles of Universal Design when creating new courses; otherwise, make appropriate alterations to existing material to accommodate students who require assistance. You may contact our Universal Instructional Design Consultant on the Academic Technology Design Team in the Office of Information Technology for more information by calling 303-735-4357 (5-HELP).

Faculty consultations with an Access Coordinator in Disability Services serve as an opportunity to provide clarity and guidance regarding the implementation of accommodations and working with students with disabilities. To request an appointment with an Access Coordinator, contact Disability Services at [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu) or 303-492-8671

### **THE BOULDER PROVOST'S DISABILITY TASK FORCE:**

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the Disability Services website:

[www.colorado.edu/disabilityservices/students](http://www.colorado.edu/disabilityservices/students).

Contact Disability Services at 303-492-8671 or [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu) for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website and discuss your needs with your professor.

### **RELIGIOUS HOLIDAYS**

It is the responsibility of every instructor to explain clearly her or his procedures about absences due to religious observances in the course syllabus so that all students are fully informed, in writing, near the beginning of each semester's classes. Campus policy regarding religious observances states that faculty must make reasonable accommodations

