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Ljungqvist, Lars and Thomas J. Sargent, *Recursive Macroeconomic Theory*, Cambridge: MIT Press.

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Adda, Jerome and Russell W. Cooper, *Dynamic Economics*, Cambridge: MIT Press.

Barro, Robert J. and Xavier Sala-i-Martin, *Economic Growth*, New York: McGraw Hill.

Blanchard, Olivier J. and Stanley Fischer, *Lectures on Macroeconomics*, Cambridge: MIT Press.

Farmer, Roger E., *The Macroeconomics of Self-Fulfilling Prophecies*, Cambridge: MIT Press.

Romer, David, *Advanced Macroeconomics*, New York: McGraw-Hill.

Sargent, Thomas J., *Dynamic Macroeconomic Theory*, Cambridge: Harvard University Press.

Stokey, Nancy L. and Robert E. Lucas, *Recursive Methods in Economic Dynamics* Cambridge: Harvard University Press.

## COURSE OUTLINE

### 1. Dynamic Programming and Hamiltonian

#### 1. Dynamic Programming and Hamiltonian

- *Boileau: A Child's Guide to Dynamic Programming*
- *Boileau: A Child's Guide to Optimal Control Theory*
- *Ljungqvist and Sargent: 2.A.1, 3.1*

#### 2. The One-Sector Neoclassical Growth Model

- *Romer: Chapter 2*
- *Blanchard and Fisher: Chapter 2*
- *Ljungqvist and Sargent: Chapter 15*

### 2. Public Policy Issues in Long-Run Growth Models

#### 1. Taxation

- *Ljungqvist and Sargent: Chapters 10 and 11*

#### 2. Endogenous Growth

- *Barro and Sala-i-Martin: Chapters 4 and 5*

### 3. Intergenerational Redistribution Models

#### 1. Discrete Time: OLG

- *Romer: Chapter 2 part B*

#### 2. Continuous Time: Perpetual Youth

- *Banchar, O., 1985. Debt, Deficits, and Finite Horizon. Journal of Political Economy 93.*
- *Blanchard and Fisher: Chapter 3.3*

### 4. Dynamic and Stochastic Growth Equilibrium Models

#### 1. Dynamic Programming

- *Ljungqvist and Sargent: 2.1, 2.2, 2.4, 3.2*

#### 2. Equilibrium with Complete Markets

- *Ljungqvist and Sargent: 8.1 – 8.5, 8.8*

#### 3. Incomplete Markets and Self Insurance



• **Liability Metrics**

1. National Income Accounting
2. Intertemporal Trade
3. International Risk Sharing
4. The Transmission of Business Cycles

## University Policies

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

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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

