

Advanced Macroeconomics – F. Bec

The aim of this course is to provide the students with a global introduction to concepts and models of contemporaneous business cycles analysis:

Chapter 1 : Definition and measurement of business cycles (trend/cycle decomposition, stylized facts, advanced indicators, impulse-propagation approach, link with the Rational Expectation Hypothesis, Vector Auto-Regressions, cost of fluctuations)

Chapter 2 : Inflation and unemployment tradeoff (France/U.S. comparison, Phillips curve, rational expectations and Lucas inefficiency proposition, monetary policy credibility, Taylor rule)

Chapter 3 : Micro foundations of neoclassical macro models (Real Business Cycles theory and its limits)

Chapter 4 : Micro foundations of New Keynesian macro models (imperfect competition, nominal rigidities; persistent effects of monetary shocks)

Chapter 5 : The practitioner's corner (toolkit to solve and simulate Dynamic Stochastic General Equilibrium models)

Prerequisites: intermediate macroeconomics and some (intermediate) mathematical skills

Related Textbooks:

- *Advanced Macroeconomics*, David Romer, McGraw-Hill Ed., 2006.
- *Monetary Policy, Inflation, and the Business Cycle: An Introduction to the New Keynesian Framework*, Jordi Gali, Princeton University Press, 2008.