

Economics G6216
Macroeconomic Analysis II
Part I

This course serves as part three of the first-year Ph.D. sequence in macroeconomics. It introduces students to the core tools and themes of business-cycle theory and macroeconomic stabilization policy with an international focus.

Lectures: Mondays and Wednesdays 2:40pm-3:55pm, 233 Seeley W. Mudd Building.

Teaching Assistant: Seungki Hong <sh3454@columbia.edu>

Office Hours:

Uribe: Mondays, 4:15-5:15pm, IAB 1109A.

Hong: Fridays 5pm-6pm, IAB 1006A.

Recitations: Fridays, 3:10-5pm, Hamilton 703.

Requirements: This portion of the course will include homework assignments and a midterm exam, all of which will be graded.

Midterm: Friday, March 13, in class.

Texts: The textbook for the course is Open Economy Macroeconomics (OEM) by Martín Uribe and Stephanie Schmitt-Grohé. You might also want to consult two excellent books on international macroeconomics: Foundations of International Macroeconomics, by M. Obstfeld and K. Rogoff, and Open Economy Macroeconomics in Developing Countries, by C. Végh.

Outline of the Material to be Covered in Class

1. Business-Cycle Facts in Poor, Rich, and Emerging Countries
OEM, chapter 1.
2. The Intertemporal Approach to the Balance of Payments
OEM, chapter 2.

- (a) Stationary shocks.
 - (b) Nonstationary shocks.
- 3. Capital Accumulation in Open Economies
OEM, chapter 3.
- 4. The Open-Economy Real-Business-Cycle Model
OEM, chapter 4
 - (a) Setup, calibration, and approximation.
 - (b) Model performance.
 - (c) Inducing stationarity.
 - (d) Complete asset markets.
- 5. Business Cycles in Emerging Countries.
OEM, chapter 5.
- 6. Interest-Rate Shocks OEM, chapter 6.
- 7. Time permitting, we will cover selected more advanced topics from the following list:
 - (a) The Terms of Trade OEM, chapter 7.
 - (b) Nontradable goods and the real exchange rate
OEM, chapter 8.
 - (c) Nominal Rigidity and Exchange-Rate Policy
OEM, chapter 9.
 - (d) Capital Controls
OEM, chapter 10.
 - (e) Policy Credibility and Balance of Payments Crises
OEM, chapter 11.
 - (f) Financial Frictions
OEM, chapter 12.
 - (g) Sovereign Default
OEM, chapter 13.