Macroeconomic Theory

Fall 2016
Johns Hopkins University
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Classes will be held Monday (August 29 – December 12), 6pm – 8:45pm
No class on Labor Day, September 5, and Monday of Thanksgiving week, November 21.

Textbooks
The main text for the course is:
Advanced Macroeconomics, by David Romer.
This is a PhD level textbook, which, at some places, is more technical and comprehensive
than required for the class.
You may also want to look at a more basic text book such as Macroeconomics by Mankiw.

Course Description
Macroeconomics, the study of the aggregate economy, attempts to explain the state and
dynamics of the economy as a whole. It builds on the behavior of individual agents such as
consumers, workers, or firms to derive the behavior of the aggregate economy (e.g., GDP,
private consumption, unemployment). The course focuses on the following main issues:
Economic growth; Consumption, Investment, Unemployment, Business cycle fluctuations,
fiscal policy, monetary policy, and economic crisis.

Grading
Problem sets: 25%
Mid term: 25%
Final: (in class on December 5): 50%

Course Outline and Reading Assignments

1. Economic Growth
   Romer: Chapter 1

2. Endogenous Growth
   Romer: Chapter 3

3. Consumption
   Romer: Chapter 8

4. Investment
   Romer: Chapter 9
5. **Unemployment**  
   Romer: Chapter 10

6. **Business cycle theory**  
   Romer: Chapter 6 and 7

7. **Monetary Policy**  
   Romer: Chapter 11

8. **Fiscal Policy**  
   Romer: Chapter 12

9. **Economic Crises**