

Johns Hopkins University
Advanced Academic Programs
Applied Economics Master's Degree Program

Macroeconomic Theory (AS.440.602)
Fall 2017

Instructor: Isabel Cairo Blanco
Email: icairob1@jhu.edu

Course Description

This course provides a systematic overview of the theory of aggregate output and employment, the rate of interest, and price level determination. Coverage includes the theories of consumption and investment, the demand and supply of money, inflation, unemployment, and economic growth. These topics are discussed in the context of contemporary empirical work on aggregate relationships.

Course Materials

Course textbook (required): Chugh, Sanjay K. *Modern Macroeconomics*, MIT Press, 2015.
Additional background readings will be assigned during the course.

Grading

Participation and problem sets: 25%
Midterm exam: 25%
Final exam: 50%

Exam Policy

Both exams are closed book. Students need only bring a calculator and a pencil/pen for the exams.

Course Outline

We will meet 14 times, which includes 12 lectures and in-class midterm and final exams. The following is a sketch of topics we will cover – it may be modified as the course progresses.

- Introduction, data, and history of macroeconomics (Chugh, Chapters 10-14).
- Consumption, labor supply, and intertemporal choice (Chugh, Chapters 1-3)
- Inflation, interest rates, labor demand, and investment (Chugh, Chapters 4-6)
- Fiscal policy, asset pricing, and aggregate shocks (Chugh, Chapters 7-9)
- Monetary policy (Chugh, Chapters 15-17)
- Financial frictions (Chugh, Chapter 21)
- Economic growth (Chugh, Chapters 25-26)
- The labor market and unemployment (Chugh, Chapters 27-29)