This is the first course in the graduate macroeconomics sequence. It surveys the formal models that are invoked in the contemporary debates of macroeconomic policy; including classical, Keynesian, new classical and new Keynesian theories.

Macroeconomics as a field of study was motivated by an empirical fact, the Great Depression. Likewise, this course begins with a survey of the stylized facts of short-term, economy-wide instability. Nevertheless, much of the semester is devoted to the analysis of formal models at a theoretical level. Particular attention is given to the search, not for empirical explanation, but for coherence with microeconomics theory.

Wendy Carlin and David Soskice, *Macroeconomics: Imperfections, Institutions and Policies* has been ordered at the bookstore. Readings outside this text will also be assigned.

The grading scheme is:

- homework assignments: 20%
- midterm examination, October 4th: 35%
- final examination, Tuesday, December 11th: 45%

The course objective is to prepare students to pass the macroeconomics qualifying exam next June.

Late papers lose points. The exam must be taken at the scheduled time. Incompletes are not generally given for nonmedical reasons.

The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services (CDS), 162 Olpin Union Building, 801-581-5020 (V/TDD). CDS will work with you and me to make arrangements for accommodations. All information in this course can be made available in alternative format with prior notification to the Center for Disability Services.

**Topic Outline and Reading List**

1. Introduction

2. The Classical Model
   Kiefer, chapter 4.1-4.2.
   Carlin and Soskice, chapter 2.

3. The Keynesian Model
   Keynes, chapter 18.
   David Romer, *Advanced Macroeconomics*, chapter 5
   Sargent, chapter 2.

4. The Quest for Microfoundations: Nonclearing Markets
Kiefer, chapters 2 and 4.
Carlin and Soskice, chapter 15.

5. The Phillips Curve and Natural Rate Hypothesis
Kiefer, chapter 5.1-5.5.
Carlin and Soskice, chapter 3 and 4.

6. New Classical School and Rational Expectations
David Romer, chapter 6, part A
Kiefer, chapters 5 and 6.

7. The New Keynesian School
David Romer, chapter 6, parts B and C
Kiefer, chapter 9.

8. Endogenous Policy
Kiefer, chapter 9.
Carlin and Soskice, chapters 5 and 6.

9. The Political Business Cycle
Kiefer, chapters 10 and 11.
Carlin and Soskice, chapter 16.

10. Review and conclusion