

Topics in macroeconomics (A)

Academic Year: (2019 / 2020)

Review date: 07/05/2020 11:29:41

Department assigned to the subject: Economics Department

Coordinating teacher: YURDAGUL , EMIRCAN

Type: Electives ECTS Credits : 4.0

Year : 2 Semester : 2

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Macroeconomics I, Macroeconomics II and Macroeconomics III

OBJECTIVES

The student will learn the basic tools of search equilibrium theory, the main paradigms that are used in macroeconomics applications of the theory, and the most recent theoretic and computational developments in the literature.

The student will also learn to solve dynamic equilibrium models with search and matching frictions, and several macroeconomic applications of the theory (mainly to labor and housing markets).

DESCRIPTION OF CONTENTS: PROGRAMME

PART I: Search Equilibrium Theory

1. Random search and Bargaining.
2. Directed or Competitive Search.
3. Random Search and Price Posting.

PART II: Macroeconomic Applications to Labor Economics and Housing

1. Competitive search and cyclical properties of housing markets
2. Nash Bargaining and wealth accumulation
3. Labor markets with free entry of firms and heterogeneous workers. Competitive search and block recursivity.
4. Competitive search housing markets with risk averse traders and financial constraints
5. Applying the endogenous grid method to competitive search models with heterogeneous agents.

LEARNING ACTIVITIES AND METHODOLOGY

Learning activities

Lectures

Group and individual assignments

Reading assignments and class discussions

Office hours

Methodology

Lectures in which the professor teaches basic concepts, distributes assignments, and presents the readings necessary to complement the class activities.

Critical readings of the material presented by the professor.

Analysis of practical cases and problem solving of exercises provided in class to be solved individually or in teams.

Presentation and discussion in class of topics related to the course as well as discussion of practical cases.

Individual or team assignments.

ASSESSMENT SYSTEM

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|---|----|
| % end-of-term-examination/test: | 60 |
| % of continuous assessment (assignments, laboratory, practicals...): | 40 |
| Homeworks and assignments and a final exam | |

BASIC BIBLIOGRAPHY

- Autores varios Artículos varios, ----, ----
- C. Pissarides Equilibrium Unemployment Theory, MIT press, 2000
- L. Ljungqvist and T.J. Sargent Recursive Macroeconomic Theory, MIT press, 2004
- Mortensen, D., and C. Pissarides New Developments in Models of Search in the Labor Market, Handbook of Labor Economics volume 3, University of Chicago Press, 1999
- Rogerson, R., R. Shimer, and R. Wright Search-Theoretic Models of the Labor Market: A Survey, Journal of Economic Literature, 2005