The University of Florida
Department of Economics

ECO 7938: Applied Macroeconomic Theory
Fall 2019 Syllabus

Instructor:
Jonathan Adams adamsjonathan@ufl.edu
Office: MAT 333   **Office Hours:** Tuesdays 9:30 am - 11:30 am

Class Schedule
Mondays and Wednesdays, Periods 5-6 (11:45 pm – 1:40 pm)
Room: MAT 0112

Recommended Texts:
Sargent and Ljungqvist, *Recursive Macroeconomic Theory*
Weekly Readings

Objectives:
This course is designed to prepare PhD students to be researchers in macroeconomics. You will become familiar with several areas of current research in macroeconomics, and the specific tools to contribute to these subfields. You will practice carefully reading and understanding current research, and presenting results. You will become familiar with empirical methods specific to macroeconomics. Finally, you will gain experience structuring and writing a research paper.

Coursework:
Coursework consists of three components:
- *Problem Sets*: There will be (approximately) three problem sets. These assignments will focus on computational elements (solving models and communicating results graphically) and empirical applications (estimating models and running some regressions)
- *Paper Presentations*: We will rotate through weekly readings, each selected by a student from a pool of new and relevant papers, which the student will present to the class
- *Final Paper*: The final assignment will be a small paper relating to one of the topics covered in the course. This is intended to give some experience writing a short paper, so the research contribution can be small. As examples, a theoretical paper might slightly modify a model we study in class, while an empirical paper could estimate an existing model on new data.

Grading:
Problem sets will account for **30%** of your grade, paper presentations will account for **30%**, and the final paper will account for **40%**.

Course Outline

The class will be ordered as follows, although I reserve the right to adjust the schedule as the course progresses:

1. Dynamic Stochastic General Equilibrium models
   a. General structure and solutions to DSGE models
   b. Computation
   c. Estimating DSGE models
      i. Calibration
      ii. MLE
      iii. Bayesian estimation
      iv. Model selection
   d. Applications
      i. Monetary policy
      ii. Financial Frictions
      iii. News
2. Open Economy Macro
   a. Differences from GE
   b. Solution methods
      i. Global methods
      ii. Perturbation challenges
   c. Empirical approaches
      i. VARs
      ii. Local Projection
   d. Applications
      i. Terms of Trade
      ii. Monetary Policy
3. Fiscal/Monetary Unions
   a. Overview
   b. Computation
   c. Empirical resources
   d. Applications
      i. Housing bubble
      ii. Fiscal transfers
4. Imperfect Information
   a. History
   b. Static financial models
   c. Beauty contests
   d. Dynamic models
   e. Endogenous information
5. Additional Topics
   a. Monetary search theory
   b. Fiscal theory of the price level
   c. Empirical effects of monetary policy
   d. Lifecycle macro

Boilerplate:

Enrollment in this course constitutes acknowledgement of the following:

1)   I understand that the University of Florida expects its students to be honest in all of their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action, up to and including expulsion from the University.

2)   I will adhere to university copyright policies.

3)   Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation.