ECO 7938 - Macroeconomic Theory II

University of Florida

Spring 2025

Instructor: Eugenio Rojas

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Class Meetings: Tuesdays-Thursdays 11:45AM - 1:40PM (Periods 5-6), MAT 119

Office Hours: By appointment.

Introduction and Objectives: The goal of this course is to give first year PhD students tools for understanding modern macroeconomics and laying the foundations for becoming researchers in macroeconomics. Tools covered in this course will allow students to contribute to subfields in macroeconomics and to understand macroeconomic research in general interest journals.

Main Textbook: The main textbook will be "Recursive Macroeconomic Theory" (Fourth Ed., 2018) by Ljunqvist and Sargent.

The material from class will be partially be covered in the book. You are responsible for the material from class not covered by the book.

Class Format: Each session is scheduled to last one hour and fifty-five minutes. We will have a fifteen-minute break towards the middle of the session. Roughly, three fourths of class time will be devoted to lectures. The remaining time will be used to solve problems and exercises based on previously covered topics and problem sets.

Class Schedule: All the relevant dates for this course, including lectures, midterm exams, and due dates for problem sets, are presented below. The course schedule and topics covered is the following:

- Week 1 (01/13-01/17): Syllabus & Time Series Analysis I.

- Week 2 (01/20-01/24): Time Series Analysis II.

- Week 3 (01/27-01/31): Time Series Analysis III.

- Week 4 (02/03-02/07): Dynamic Stochastic General Equilibrium (DSGE) models I. Problem Set 1 Due.

- Week 5 (02/10-02/14): DSGE models II.

- Week 6 (02/17-02/21): DSGE models III.

- Week 7 (02/24-02/28): Transitional Dynamics & Ramsey Policy I. Problem Set 2 Due.

- Week 8 (03/03-03/07): Ramsey Policy II.

- Week 9 (03/10-03/14): Review Session (if time) & Midterm 1.

- Week 10 (03/17-03/21): Spring Break.

- Week 11 (03/24-03/28): Dynamic Programming Review & Introduction to Incomplete Markets with Heterogeneous Agents. Problem Set 3 Due.

- Week 12 (03/31-04/04): Incomplete Markets & Heterogeneous Agents I.

- Week 13 (04/07-04/11): Incomplete Markets & Heterogeneous Agents II.

- Week 14 (04/14-04/18): Continuous Time Methods & Review Session (if time). Problem Set 4 Due.

- Week 15 (04/22): Midterm 2.

Lastly, some important dates to keep in mind are:

- First Day of Class: January 14th.

- Problem Sets: Due February 6th, February 27th, March 27th, and April 17th.

- Midterm 1: March 13th.

- Midterm 2: April 22nd.

- Last Day of Class: April 22nd.

- Make-up Exam: TBA.

- No Class: March 27th.

Canvas: Canvas is the official website for this course. All the material such as slides, problem sets, additional study material and your grades will be included in Canvas. Please make sure you are able to log on to this course site. If you have are not able to log in, you should contact me immediately.

Academic Integrity: You are expected to comply with the University's rules for academic honesty (which can be found here). Confirmed violations of these rules will result in disciplinary actions. Cheating is considered a serious offense to your classmates, to the University and to the instructor. **I have a zero tolerance policy for cheating and I will not make any exception**.

Attendance Policy and Behavior: Class attendance is expected (and encouraged), and any material covered during the lecture is subject to evaluation. Please note that lectures will differ from the textbook.

Exam attendance is mandatory. There are few valid reasons to miss an exam in this class (in order to be valid it should be listed in the University's policy found here). Exam dates, deadlines, and times are announced far enough in advance for students to clear up conflicts without my involvement. In case of a valid excuse you can request a make-up exam (please email me for this). Any unexcused absence from a midterm will imply a 0 grade.

Assignments and Grading

The Final Grade is composed by 4 different elements, which are:

- Problem Sets, 50% of Final Grade

- Midterm 1, 25% of Final Grade

- Midterm 2, 25% of Final Grade

Your final letter grade will be determined as follows:

$93 - 100$	A
$90 - 92.99$	$A-$
$87 - 89.99$	$B+$
$83 - 86.99$	B
$80 - 82.99$	$B-$
$77 - 79.99$	$C+$
$73 - 76.99$	C
$70 - 72.99$	$C-$
$67 - 69.99$	$D+$
$60 - 66.99$	D
$0 - 59.99$	E

Problem Sets: There are four problem sets during the semester. These will involve a combination of data work and problem solving related to the topics seen in class. Problem sets may require time to be solved, as data gathering may be required, so I suggest you to work with anticipation on them. Problem sets have to be submitted in Canvas before the start of the corresponding lecture. No late submissions are allowed and there will be no exceptions.

Exams: The midterm exams will be a combination of problem-solving questions, short answer questions, and data-related questions (similar to the exercises in the problem sets). The use of cell phones, PDAs, or any other programmable device during an exam is not allowed and violating this policy will constitute a violation of the University of Florida Student Honor Code.

Recording Policy: Students are allowed to record video or audio of class lectures. However, the purposes for which these recordings may be used are strictly controlled. The only allowable purposes are (1) for personal educational use, (2) in connection with a complaint to the university, or (3) as evidence in, or in preparation for, a criminal or civil proceeding. All other purposes are prohibited. Specifically, students may not publish recorded lectures without the written consent of the instructor.

A "class lecture" is an educational presentation intended to inform or teach enrolled students about a particular subject, including any instructor-led discussions that form part of the presentation, and delivered by any instructor hired or appointed by the University, or by a guest instructor, as part of a University of Florida course. A class lecture does not include lab sessions, student presentations, clinical presentations such as patient history, academic exercises involving solely student participation, assessments (quizzes, tests, exams), field trips, private conversations between students in the class or between a student and the faculty or lecturer during a class session.

Publication without permission of the instructor is prohibited. To "publish" means to share, transmit, circulate, distribute, or provide access to a recording, regardless of format or medium, to another person (or persons), including but not limited to another student within the same class section. Additionally, a recording, or transcript of a recording, is considered published if it is posted on or uploaded to, in whole or in part, any media platform, including but not limited to social media, book, magazine, newspaper, leaflet, or third party note/tutoring services. A student who publishes a recording without written consent may be subject to a civil cause of action instituted by a person injured by the publication and/or discipline under UF Regulation 4.040 Student Honor Code and Student Conduct Code.

Exam Make-Up Policy: There are few valid reasons to miss an exam in this class (in order to be valid it should be listed in the University's policy found here). Dates and times or quizzes and the exam are announced far enough in advance for students to clear up conflicts without my involvement. In case of a valid excuse you can request a make-up exam (please email me for this). Any unexcused absence from a midterm will imply a 0 grade.

Special Needs and General Comments on Wellness: If you are a student with special needs and you require additional resources to participate successfully in this course, please contact me during the first week of classes. The Disability Resource Center may provide special accommodations for students. Once you obtain documentation from the DRC, please forward it to me and accommodations can be arranged.

College is an exciting learning experience and a unique opportunity for personal growth. It can, however, also be a stressful and difficult transitionary period. If you are ever having general issues with your coursework in any course or trouble in your personal life, please seek help from myself or another faculty member. I also encourage you to utilize the FREE and ANONYMOUS services of the UF Counseling and Wellness Center.

Generative Artificial Intelligence: The Department of Economics faculty assume that all work that is submitted for grading is written by the student whose name it bears, and that it represents their ideas and work. Accordingly, students are not permitted to use generative AI when completing assignments, quizzes, exams, or other graded work unless their instructor has expressly granted that permission. Unauthorized use of generative AI may constitute cheating and/or plagiarism. Such violations of the UF Student Honor Code will be reported to the UF Dean of Students Office and will be subject to severe sanctions.

Generative AI includes but is not limited to ChatGPT, DALL-E, and Google Bard.