

Master of Economics

Lecture Title:	Macroeconomics III		
Lecturer:	Michael Reiter		
Lecture Code:	017.911	ECTS:	6
Term:	Fall Term	Contact hours:	40
Lecture Dates:	see teaching calendar		
Final Exam:	see teaching calendar	Frequency of lecture:	Twice a week
Prerequisites:	Macroeconomics I and Macroeconomics II		
Language of instruction:	English		
Contact information	Dr. Michael Reiter Institute for Advanced Studies Stumpergasse 56, 1060 Vienna Office A 305		
	Telephone: 0159991 154	Email: reiter@ihs.ac.at	
Office hours	By appointment		
Course website	https://cecnet.tuwien.ac.at/		
Learning Objectives: (What are the intended learning outcomes? Which skills will be acquired?)	The course will cover topics in macroeconomics, including (1) RBC models, (2) New Keynesian DSGE models, (3) frictional labor markets, (4) incomplete financial markets and wealth heterogeneity. As some of the course materials will be provided in the form of articles, reading and understanding articles is an additional general skill that will be introduced gradually.		
Content: (Which professional competence and which contents will be imparted?)	1. RBC models (a) Basic Models Lit.: Cooley and Prescott (1995); Christiano and Eichenbaum (1992) (b) Frictions in the labor market Lit.: Merz (1995) 2. New Keynesian models (a) Basic setup: Lit.: Woodford (2003, Ch.3) (b) Monetary policy: Lit.: Clarida et al. (1999); (c) Monetary policy and unemployment Lit.: Gali (2010)		

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	3. Models with financial frictions Lit.: Bernanke et al. (1999); Kiyotaki and Moore (1997); Gertler and Kiyotaki (2010); Brunnermeier and Sannikov (2012)
Teaching Approach: (Description of the learning and teaching methods)	Lecture and group work.
Workload: (Definition of workload (ECTS), divided in pre-modules (e.g. pre-readings), core-modules (contact hours), post-modules (e.g. case studies)):	---
Required literature: (scripts, books, articles, cases, papers)	<p>Bernanke, B. S., M. Gertler, and S. Gilchrist (1999). The financial accelerator in a quantitative business cycle framework. In J. B. Taylor and M. Woodford (Eds.), Handbook of Macroeconomics, Volume 1 of Handbook of Macroeconomics, Chapter 21, pp. 1341-1393. Elsevier.</p> <p>Brunnermeier, M. K. and Y. Sannikov (2012). A macroeconomic model with a financial sector.</p> <p>Christiano, L. J. and M. Eichenbaum (1992). Current real-business-cycle theories and aggregate labor-market fluctuations. American Economic Review 82 (3), 430-50.</p> <p>Clarida, R., J. Gali, and M. Gertler (1999). The science of monetary policy: A New Keynesian perspective. Journal of Economic Literature 37 (4), 1661-1707.</p> <p>Cooley, T. F. and E. C. Prescott (1995). Economic growth and business cycles. In T. F. Cooley (Ed.), Frontiers of Business Cycle Research. Princeton: Princeton University Press.</p> <p>Gali, J. (2010). Monetary policy and unemployment. In B. M. Friedman and M. Woodford (Eds.), Handbook of Monetary Economics, Volume 3 of Handbook of Monetary Economics, Chapter 10, pp. 487-546. Elsevier.</p>

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	<p>Gertler, M. and N. Kiyotaki (2010). Financial intermediation and credit policy in business cycle analysis. In B. M. Friedman and M. Woodford (Eds.), Handbook of Monetary Economics, Volume 3 of Handbook of Monetary Economics, Chapter 11, pp. 547-599. Elsevier.</p> <p>Kiyotaki, N. and J. Moore (1997). Credit cycles. Journal of Political Economy 105 (2), 211-48.</p> <p>Merz, M. (1995). Search in the labor market and the real business cycle. Journal of Monetary Economics 36, 266-300.</p> <p>Woodford, M. (2003). Interest and Prices: Foundations of a Theory of Monetary Policy. Princeton: Princeton University Press.</p>
Recommended literature: (books, articles, cases, papers)	----
Special features: (e.g. excursion, guest speaker):	---
Mode of examination: (Mode of examinations and tests (e.g. oral or written examination, lecture, homework, papers, class participation)):	The grade will be based on a combination of homeworks and written midterm and final examinations.
Grading:	<ul style="list-style-type: none"> • Midterm exam: 30% • Final exam: 50% • Class participation and Homework: 20%