

Master of Economics

Lecture Title:	Macroeconomics II		
Lecturer:	Tamás Papp		
Lecture Code:	017 910	ECTS:	6
Term:	Spring Term 2015	Contact hours:	40
Lecture Dates:	April – July, 2015		
Final Exam:	July 2015	Frequency of lecture:	twice a week
Prerequisites:			
Language of instruction:	English		
Contact information	PhD. Tamás Papp Institute for Advanced Studies Stumpergasse 56, 1060 Vienna Office A 314		
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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 consists of two parts: the purpose of the first part is to analyze determinants of long run growth theoretically (with some empirical background), while the second part will discuss frictional labor market models from a macroeconomic perspective. The unifying methodological objective is the understanding of continuous-time methods. The second part is also meant to serve as a gentle introduction to learning from articles.		
Content: (Which professional competence and which contents will be imparted?)	<p>Economic Growth (chapters from Acemoglu, <i>Introduction to Modern Economic Growth</i>):</p> <ul style="list-style-type: none"> • Introduction to Growth Empirics and the Solow Model (Ch 1-4) • Foundations of Neoclassical Growth (Ch 5) • Foundations of Neoclassical Growth (Ch 8, 10-11) • Endogenous Technological Change (Ch 12-15) <p>Frictional models of the labor market</p> <ul style="list-style-type: none"> • Simple partial equilibrium models, wage distributions • Random search in general equilibrium, cyclical volatility of unemployment • Directed search 		

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<p>Teaching Approach: (Description of the learning and teaching methods)</p>	<p>Lectures and problem sessions.</p>
<p>Workload: (Definition of workload (ECTS), divided in pre-modules (e.g. pre-readings), core-modules (contact hours), post-modules (e.g. case studies)):</p>	<p>Class: 36 hours, Practice sessions: 36 hours, Problem sets: 48 hours, preparation final exam: 20 hours, pre- and post processing of lectures: 40 hours</p>
<p>Required literature: (scripts, books, articles, cases, papers)</p>	<p>The main course textbook for the first part is: <i>Introduction to Modern Economic Growth</i>: Daron Acemoglu, Princeton University Press, 2009.</p> <p>Supplementary article: Aghion&, Philippe, Ufuk Akcigit, and Peter Howitt. "What Do We Learn From Schumpeterian Growth Theory?." (2013).</p> <p>The second part will use the following articles:</p> <ul style="list-style-type: none"> • Hornstein, A., Krusell, P., and Violante, G. (2009). Frictional wage dispersion in search models: a quantitative assessment. working paper. • Hornstein, A., Krusell, P., and Violante, G. (2011). Frictional wage dispersion in search models: a quantitative assessment. <i>American Economic Review</i>, pages 2873–2898. • Hornstein, A., Krusell, P., and Violante, G. L. (2005). Unemployment and vacancy fluctuations in the matching model: inspecting the mechanism. <i>Economic Quarterly</i>, 91(3):19–50. • Jolivet, G., Postel-Vinay, F., and Robin, J.-M. (2006). The empirical content of the job search model: Labor mobility and wage distributions in Europe and the US. <i>European Economic Review</i>, 50(4):877–907. • Moen, E. R. (1997). Competitive search equilibrium. <i>Journal of Political Economy</i>, 105(2):385–411 • Shi, Shouyong. "Directed search for equilibrium wage–tenure contracts." <i>Econometrica</i> 77.2 (2009): 561-584.

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	<ul style="list-style-type: none"> Gonzalez, Francisco M., and Shouyong Shi. "An equilibrium theory of learning, search, and wages." <i>Econometrica</i> 78.2 (2010): 509-537. <p>Articles will be distributed to students in the order they are discussed.</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)):	<p>There will be problem sets in the course, which will be handed out at the end of the week by e-mail and are due the beginning of next week. The graded problem sets will be returned in the practice session. For the problem sets, cooperation is encouraged, but students are required to hand in an individual copy. Students have to present their solutions to the problem sets during the practice sessions.</p> <p>Midterm and final exams are open book, and cover the first and second half of the course, respectively.</p>
Grading:	<ul style="list-style-type: none"> homework assignments 20% midterm 40% final examination 40%.