

Macroeconomics I

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Content.

1. Dynamic programming
 - The Neoclassical growth model
 - The principle of optimality
 - Solving the Bellman equation
 - Stochastic dynamic programming
2. Exchange economy with complete markets
 - Environment
 - Pareto efficient allocations
 - Arrow-Debreu equilibrium
 - Sequential trading of arrow securities
 - Recursive competitive equilibrium
3. Recursive partial equilibrium and rational expectations
4. Equilibrium in the Neoclassical growth model
 - Pareto efficient allocations
 - Arrow-Debreu equilibrium
 - Recursive competitive equilibrium

Homeworks. There will be 6 problem sets. Every student will have to submit the solutions individually. Problem sets are compulsory and graded.

Evaluation. 80% final exam + 15% problem sets + 5% participation in class

Books. The key references for this course are Stokey, Lucas and Prescott (1989) and Ljungqvist and Sargent (2012)