

Block II

Macroeconomics

Evi Pappa, Applied Macro part II (half-credit) tbc

Course Program

The course is designed to help the students with the modelling of money and monetary policy in different theoretical frameworks. The main References for this part of the course are:

- Jordi Galí (2008): Monetary Policy, Inflation and the Business Cycle (Princeton University Press)
- Carl Walsh (2003): Monetary Theory and Policy (The MIT Press)

A lot of other suggestions for further reading would be given in either class or homework's assignments.

The *Applied Macro part II* course is a course that requires the students to know MATLAB in order to be able to complete the exercise that they will be requested to complete in order to be evaluated for the course. The class will involve both lectures and practical sessions.

The themes covered are:

1. Monetary Macroeconomic Models
2. Nominal rigidities and Imperfect Competition, The NK model
3. Monetary Policy Design in the NK model
4. Monetary Policy Trade-offs: Discretion vs Commitment
5. The Labor Market in the New Keynesian Model: Incorporating SAM frictions
6. HANK meets SAM, heterogeneous agents and labor market frictions and the transmission of monetary policy shocks