TOPICS ON APPLIED MACRO & LABOUR

ADVANCED BLOCK 1
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SYLLABUS:

Topic 1. VAR Models in Macro (Brief overview)
1.1 General Framework (VAR, ECM, SVAR)
1.2 Estimation of VAR, ECM & SVAR Models
1.3 Identifying Restrictions: Short & Long-Run, Sign and Heteroskedasticity
1.4 Specifying the Co-integrating Rank
1.5 Bayesian VARs

Topic 2. Empirical Applications
2.1 Inflation shocks and Money Neutrality
2.1 Labour Market Shocks
2.2 Identifying Monetary Policy Switching Regimes
2.3 What Do VARs Mean when Shocks are Persistent?
2.4. Stock Prices, News Shocks & the Business Cycle
2.5 An Attack on RBC Models: Technology vs. Demand Shocks
2.6 Using DSGE Models to Check Identification in SVARs

Topic 3. Miscellanea
3.1 Structural Breaks
3.2 Modelling TS with Changes in Regime through Markov Chains
3.3 Marked-Point Processes
3.4 Estimation of Taylor Rules & NK Phillips Curves
3.5 Large Dimensional Factor Models (Estimation, Forecasting, Breaks, Quantiles)
3.6 Testing for Bubbles.
3.7 Calibration /Estimation of Search & Matching Models

Topic 4 (time permitting). Further Topics on Cointegrated Variables
4.1 The I(1) Regression Model
4.2 Fully- Modified Estimation & Dynamic OLS
4.3 Fractional Co-integration
4.4 Co-integration and Multi-cointegration
4.5 Johansen´s Reduced Rank Approach
4.6 ML Estimation of Common Factors
4.7 Co-integration in Panel Data Sets

BASIC REFERENCES:

Textbooks

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2. Cahuc, P. and A. Zylberberg (2004): **Labor Economics**, MIT Press, chapters 9-10
2. Hamilton, J. (1994): **Time Series Analysis**, Princeton University Press, chapter 22 (*)
3. Johansen, S. (1995): **Likelihood Based Inference in Cointegrated Autoregressive Models,** Oxford University Press, chapters 1-3 (*)

Surveys

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2. Stock, J. (1994): "Unit Roots, Structural Breaks and Trends", ch.46 in R. Engle and D. McFadden, **Handbook of Econometrics**, Elsevier.
3. Kilian, L. (2011): **Structural Vector Autoregressions**, http://www-personal.umich.edu/~lkilian/elgarhdbk_kilian.pdf

Articles

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2. **Banerjee, A., Marcellino, M and C. Osb**at (2002) "Some Caution on the Use of Panel Data Methods for Integrated Series of Macro-Economic Data" (pdf.version)
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EVALUATION:

HOMEWORK (20%), TAKEHOME EXAM (80%)