TOPICS ON APPLIED MACRO & LABOUR

ADVANCED BLOCK 1 (24th Feb-28th Mar, 2014)

COURSE INSTRUCTOR: **JUAN J. DOLADO**
Office: SP 048, Ext: 2956; E-mail: juan.dolado@eui.eu
URL: http://dolado.blogspot.com

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. Modelling Integrated and Cointegrated Variables
2.1 Asymptotic Properties of Integrated Variables
2.2 The I(1) Regression Model
2.3 Fully- Modified Estimation & Dynamic OLS
2.4 Models for I(2) Variables
2.5 Fractional Integration & Co-integration

Topic 3. Review of System Cointegrated Tests
3.1 Cointegration and Multicointegration
3.2 Johansen´s Reduced Rank Approach
3.3 3.4 ML Estimation of Common Factors
3.4 Partial Systems and Weak Exogeneity
3.5 Co-integration in Panel Data Sets

Topic 4. Empirical Applications
4.1 Shocks in the Labour Market
4.2 Identifying Monetary Policy Switching Regimes
4.3 What Do VARs Mean when Shocks are Persistent?
4.3 Stock Prices, News Shocks & the Business Cycle
4.5 An Attack on RBC Models: Technology vs. Demand Shocks
4.6 Using DSGE Models to Check Identification in SVARs

Topic 5. Miscellanea
5.1 Structural Breaks
5.2 Modelling TS with Changes in Regime through Markov Chains
5.3 Marked-Point Processes
5.4 Estimation of Taylor Rules & NK Phillips Curves
5.6 Optimal Monetary Policy in NK Economies
5.7 Large Dimensional Factor Models (Estimation, Forecasting, Breaks)
5.8 Tests for Bubbles.
5.9 Calibration /Estimation of Search & Matching Models

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BASIC REFERENCES:

Textbooks & Surveys

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2. Cahuc, P. and A. Zylberberg (2004): **Labor Economics**, MIT Press, chapters 9-10
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Surveys

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3. Kilian, L. (2011): **Structural Vector Autoregressions**, http://www-personal.umich.edu/~lkilian/elgarhdbk_kilian.pdf

Articles

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EVALUATION:

HOMEWORK, TAKEHOME EXAM