Readings:

Useful reference books for this course are


I will also be discussing material from


Copies of some of the other readings will be available on the intranet and on the course web site:

Grading:

There will be six or seven problem sets and a final exam. In addition to analytical work, some problem sets will require you to write a computer program in Matlab, C++, Fortran, Gauss, or some such language. All assignments must be completed in order to receive a final grade for the course. The final grade for the course will be based 50 percent on the problem sets and 50 percent on the final exam.

Late Policy:

Any late problem will be penalized 10 (out of 100) points for each week that it is late, up to a maximum of 40 points.

Cooperation on Assignments:

Students are permitted (and encouraged) to discuss the answers to problem sets together. Copying from another student's answers is not allowed.
List of Topics:

1. **Introduction to Dynamic General Equilibrium**
   

   Stokey-Lucas-Prescott, Chapters 2, 3, 4.

2. **Overlapping Generations Economies**
   


   Ljungqvist-Sargent, Chapter 9.


   Stokey-Lucas-Prescott, Chapter 17.


3. **The Neoclassical Growth Model**
   

   T. J. Kehoe, “Calibrating the Growth Model.”


4. **Dynamic Programming**

Ljungqvist-Sargent, Chapters 1, 3, 4.

Stokey, Lucas, Prescott, Chapters 5, 6, 8, 9.

5. **Search, Matching, and Unemployment**

Ljungqvist-Sargent, Chapter 6.

Stokey-Lucas-Prescott, Chapter 10.


6. **Business Cycles**


7. **Crises and Great Depressions**


8. **General Equilibrium with Enforcement Constraints**


Ljungqvist-Sargent, Chapters 16–20.