Economics 402B: Applied Macroeconomics

Course Objectives
This course will introduce the class to modern theories of economic stabilization policy. We will study the causes of business cycles and their proposed remedies. The emphasis will be on a Keynesian approach to economics and modern extensions of Keynesian economics that have been developed to address the 2008 financial crisis.

Grading
Grading will consist of a midterm exam worth 40% and a final worth 60%. Students will also be required to hand in an ungraded assignment every two weeks, five assignment total over the course of the quarter.

Reading
The reading list is yet to be determined. Rather than a traditional reading list with a text-book, the class will select readings from contemporary op eds in the financial press and from the blogs. My goal is for students who have completed the class to be able to read and understand the policy debates that are underway in the press and between financial journalists in the wake of the 2008 crisis.

Week 5: Lecture 10: Measuring Unemployment. Lecture 11: The Natural Rate of Unemployment. Tue. Feb 7 Thu. Feb 9
Week 9:
Lecture 17: The Permanent Income Theory of Consumption.  Tue. Mar 7

Week 10:
Lecture 19: The Phillips Curve.  Tue. Mar 14

Text Books

