

The main text for the course is Romer, David. *Advanced Macroeconomics*, 2nd ed. New York: McGraw Hill, 2001. Supplementary readings include lecture notes, as well as journal articles and selections from other books. The required readings are indicated by a star; the other items are recommended but are not required.

SES #	TOPICS	READINGS
1	Introduction to Growth Facts and Growth Models	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 1.</p> <p>Solow, R. M. "A Contribution to the Theory of Economic Growth." <i>Quarterly Journal of Economics</i> 70 (1956): 65-94.</p> <p><i>Recommended Readings</i></p> <p>Barro, R. J., and X. Sala-i-Martin. <i>Economic Growth</i>. 1995, chap. 1 and 12.</p>
2	The Neoclassical Growth Model	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 2.</p> <p>Mankiw, N. G., D. Romer, and D. Weil. "A Contribution to the Empirics of Economic Growth." <i>Quarterly Journal of Economics</i> 107 (1992): 401-437.</p> <p><i>Recommended Readings</i></p> <p>Barro, R. J., and X. Sala-i-Martin. <i>Economic Growth</i>. 1995, chap. 2 and 3.</p> <p>Blanchard, O., and S. Fischer. <i>Lectures on Macroeconomics</i>. 1989, chap. 3.</p>
3	Overlapping Generations	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 2.</p> <p>Barro, R. J. "Are Government Bonds Net</p>

		<p>Wealth?" <i>Journal of Political Economy</i> 82 (1974): 1095-1117.</p> <p>Diamond, P. "National Debt in a Neoclassical Growth Model." <i>American Economic Review</i> 55 (1965): 1126-1150.</p> <p><i>Recommended Readings</i></p> <p>Blanchard, O. "Debt, Deficits and Finite Horizons." <i>Journal of Political Economy</i> 93 (1985): 223-247.</p>
4	Applications: Fluctuations, Investment, Asset Pricing, Public Finance, Behavioral	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 7 and 8.</p> <p>Barro, R. J., "On the Determination of the Public Debt." <i>Journal of Political Economy</i> 87 (1979): 940-71.</p> <p><i>Recommended Readings</i></p> <p>Barro, R. "Ramsey Meets Laibson in the Neoclassical Growth Model." <i>Quarterly Journal of Economics</i> 114 (1999): 1125-1152.</p> <p>Laibson, D. "Golden Eggs and Hyperbolic Discounting." <i>Quarterly Journal of Economics</i> 112 (1997): 443-478.</p> <p>Lucas, R. E, Jr. "Asset Prices in an Exchange Economy." <i>Econometrica</i> 46 (1978): 1429-1445.</p>
5	Endogenous Growth: Externalities, R&D, Innovation	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap 3.</p> <p>Romer, P. M. "Increasing Returns and Long-Run Growth." <i>Journal of Political Economy</i> 94 (1986): S1002-S1037.</p>

		<p>Lucas, R. E., Jr. "On the Mechanics of Economic Development." <i>Journal of Monetary Economics</i> 22 (1988): 3-42.</p> <p>Romer, P. M. "Endogenous Technological Change." <i>Journal of Political Economy</i> 98 (1990): 71-102.</p> <p><i>Recommended Readings</i></p> <p>Barro, R. J., and X. Sala-i-Martin. <i>Economic Growth</i>. 1995, chap. 4-7.</p> <p>Lucas, R. E., Jr. "Making a Miracle." <i>Econometrica</i> 61 (1993): 251-272.</p> <p>Aghion, P., and P. Howitt. "A Model of Growth Through Creative Destruction." <i>Econometrica</i> 60 (1992): 323-351.</p>
6	Real Business Cycles	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 4.</p> <p>Kydland, F., and Prescott, E. C. "Time to Build and Aggregate Fluctuations." <i>Econometrica</i> 50 (1982): 1345-1370.</p> <p>Lucas, R. E., Jr. "An Equilibrium Model of the Business Cycle." <i>Journal of Political Economy</i> 81 (1975): 1113-1144.</p> <p><i>Recommended Readings</i></p> <p>Barro, R. <i>Macroeconomics</i>. 1998, Chap. 9, MIT Press.</p> <p>Prescott, E. C. "Theory Ahead of Business Cycle Measurement." <i>Quarterly Review, Federal Reserve Bank of Minneapolis</i>. 1986, pp. 9-22.</p> <p>Lucas, R. E., Jr. <i>Models of Business Cycles</i>. Oxford: Basil Blackwell, 1987.</p>

7	The IS-LM Model	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 5 .</p> <p><i>Recommended Readings</i></p> <p>Blanchard, O. "Why Does Money Affect Output? A Survey." In <i>Handbook of Monetary Economics</i> . Edited by B. Friedman and F. Hahn. North Holland: 1990, pp. 779-835.</p>
8	Incomplete Nominal Adjustment	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 6.</p> <p>Mankiw, N. G. "Small Menu Costs and Large Business Cycles: A Macroeconomic Model of Monopoly." <i>Quarterly Journal of Economics</i> 100 (1985): 529-539.</p> <p><i>Recommended Readings</i></p> <p>Calvo, G. "Staggered Prices in a Utility-Maximizing Framework." <i>Journal of Monetary Economics</i> 12 (1983): 383-398.</p>
9	Incomplete Financial Markets	<p><i>Required Readings</i></p> <p>Obstfeld, M. "Risk-Taking, Global Diversification, and Growth." <i>American Economic Review</i> 84 (1994): 1310-1329.</p> <p>* Bernanke, B., and M. Gertler. "Agency Costs, Collateral, and Business Fluctuations." <i>American Economic Review</i> 79 (1989): 87-114.</p> <p><i>Recommended Readings</i></p> <p>Greenwood, J., and B. Jovanovic. "Financial Development, Growth, and the Distribution of Income." <i>Journal of Political Economy</i> 98 (1990): 219-240.</p>

		<p>Banarjee, A., and A. Newman. "Occupational Choice in the Process of Development." <i>Journal of Political Economy</i> 101 (1993): 274-298.</p>
10	Unemployment	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 9 and 10.</p> <p>Shapiro, C. and J. Stiglitz. "Equilibrium Unemployment as a Worker Discipline Device." <i>American Economic Review</i> 74 (1984): 433-444.</p> <p><i>Recommended Readings</i></p> <p>Diamond, P. "Aggregate Demand Management in Search Equilibrium." <i>Journal of Political Economy</i> 90 (1982): 881-894.</p>
11	Consumption and Savings	<p><i>Required Readings</i></p> <p>Romer, D. <i>Advanced Macroeconomics</i>. 2001, chap. 7.</p> <p><i>Recommended Readings</i></p> <p>Hall, R. E. "Stochastic Implications of the Life Cycle-Permanent Income Hypothesis: Theory and Evidence." <i>Journal of Political Economy</i> 86 (1978): 971-987.</p>