

Ambedkar University Delhi

Course Outline

Winter Semester(January-May 2018)

School:	Liberal Studies
Programme:	MA Economics
Semester:	IV Semester
Course Title:	Topics in Macroeconomics
Credits:	4
Course Code (new):	—
Course Code (old):	—
Type of Course:	Elective
Course Coordinator and Team:	Parag Waknis
Email of the Course Coordinator:	parag.econ@gmail.com
Pre-requisite:	Macroeconomics I

Aim:

This course aims to further familiarise students with methods and results of contemporary Macroeconomics. For the current semester, focus will be on Growth Theory with the objective of introducing three (broadly classified) departures from the neo-classical growth model (already covered in Macroeconomics I).

Topics Covered:

Readings with * will be covered in full. Readings with no indicators may be used in part or are provided as classic references on which the literature in that section is built.

1. Review of Optimal Growth Model, Optimization techniques including Dynamic Programming (2 weeks)
 - (a) *Chapters 3 and 4, McCandless George T. 2008, *The ABCs of RBCs: An Introduction to Dynamic Macroeconomic Models*, Harvard University Press.

(b) *Lecture Notes

2. Growth with Overlapping Generations (4 weeks)

- (a) * Chapter 9, Acemoglu Daron. 2009. *Introduction to Modern Economic Growth*, Princeton University Press.
- (b) *McCandless G.T, & N Wallace .1991. *Introduction to Dynamic Macroeconomic Theory: An Overlapping Generations approach*, Chapters 1-4, 9.
- (c) Samuelson Paul A, 1958. "An Exact Consumption-Loan Model of Interest with or without the Social Contrivance of Money," *Journal of Political Economy*, University of Chicago Press, vol. 66, pages 467-467.
- (d) Diamond, Peter A. 1965 "National Debt in a Neoclassical Growth Model." *The American Economic Review* 55, no. 5 : 1126-150.
- (e) Weil, Philippe. 2008. "Overlapping Generations: The First Jubilee." *Journal of Economic Perspectives*, 22(4): 115-34.

3. Endogenous Growth Models (7 Weeks)

- (a) *Chapter 15, Ljungqvist and Sargent, 2012. *Recursive Macroeconomic Theory*, 3rd edition, MIT Press. (or Chapter 14, 2nd edition).
- (b) Lucas Robert Jr. 1988. "On the mechanics of economic development, *Journal of Monetary Economics*, Volume 22, Issue 1, , Pages 3-42."
- (c) Romer, Paul M. 1994. "The Origins of Endogenous Growth." *The Journal of Economic Perspectives*, vol. 8, no. 1, pp. 3-22.
- (d) Romer, Paul M, 1986. "Increasing Returns and Long-run Growth," *Journal of Political Economy*, vol. 94(5), pages 1002-1037, October.
- (e) Rebelo, Sergio. 1991. "Long-Run Policy Analysis and Long-Run Growth", *Journal of Political Economy*, Vol 99, pages 500-521.
- (f) *Glomm, Gerhard & Ravikumar, B, 1992. "Public versus Private Investment in Human Capital, Endogenous Growth and Income Inequality," *Journal of Political Economy*, University of Chicago Press, vol. 100(4), pages 818-834, August.
- (g) *Glomm, Gerhard & Ravikumar, B., 1997. "Productive government expenditures and long-run growth," *Journal of Economic Dynamics and Control*, Elsevier, vol. 21(1), pages 183-204, January.

4. Income Distribution and Economic Growth (3 Weeks):

- (a) *Chapter 5: Savings and distribution with finite horizons, Bertola et. al. 2006. *Income Distribution and Macroeconomic Models*, Princeton University Press.

- (b) *Chapter 6: Factor Shares and Taxation in an OLG Model, Bertola et. al. 2006. *Income Distribution and Macroeconomic Models*, Princeton University Press.
- (c) *Galor, Oded, 2012. "Inequality, Human Capital Formation and the Process of Development," *IZA Discussion Papers 6328*, Institute for the Study of Labor (IZA).
- (d) *Glomm, Gerhard & Ravikumar, B, 2003. "Public Education and Income Inequality", *European Journal of Political Economy Vol. 19*, 289–300.
- (e) *Krishna Dutt, A. (2016), "Growth and Distribution in Heterodox Models with Managers and Financiers". *Metroeconomica*, 67: 364–396.

Grading Scheme:

Your final grade will be determined as follows:

Component	Percentage Contribution
Problem Sets (3)	30%
Exams (2)	70%