

MASTER Economics Macroeconomics II

Contacts	Description	Information
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CONTENT

The aim of the course is to present advanced macroeconomic topics related to the analysis of aggregate consumption, aggregate investment and modern business cycle analysis with the Real Business Cycle model.

Course outline :

Chap. I : Consumption theory

1. Consumption over the life cycle : the life-cycle/permanent income models
2. Introducing uncertainty – The random walk hypothesis
3. Market imperfections : the role of liquidity constraints
4. Extensions : risk aversion, precautionary savings

Chap. 2 : Investment theory

1. The neoclassical model of capital demand
2. Investment with and without capital adjustment costs : Q-theory models
3. Role of shocks : real shocks, news shocks, noise shocks

Chap. 3 : Real Business Cycles

1. Measuring business cycles : trend-cycle decompositions and stylized facts
2. The canonical RBC model
3. Evaluation of the model

PROFESSIONAL SKILLS

- Understanding the microeconomic foundations of

individual consumption decisions and their aggregate implications

- Understanding the microeconomic foundations of firms' investment decisions and their macroeconomic implications
- Analyzing the canonical Real Business Cycle model

BIBLIOGRAPHY

- Romer D., Advanced Macroeconomics, McGraw-Hill, 4th Edition

ORGANISATION

6 teaching weeks, 2x2h courses per week.

FUNDAMENTAL PREREQUISITES

Standard undergraduate courses in macroeconomics. Basic knowledge of optimization theory (constrained optimization, method of Lagrange multipliers).

VOLUME OF TEACHINGS

- Lectures: 24 hours

TRAININGS

Master's degree: Economics

- Empirical and theoretical economics
- Economic policy analysis
- Econometrics, big data, statistics
- Quantitative finance and insurance

