## Advanced Macroeconomics I

*Academic Year:* 2016-2017                                                3rd Quarter

*Instructor:* Catarina Reis                  creis@ucp.pt                  office 5303

---

*Course Description:* This course offers an introduction to neoclassical macroeconomics in a closed economy. The course is intended for master's students who wish to develop a solid background in this area. This course is mandatory for Economics MsC students at Católica Lisbon.

---

*Course Content:*

L1: Introduction – Modeling the households' saving decisions

L2: Competitive equilibrium in the neoclassical model

L3: Problem Set 1

L4: Steady state and phase diagram

L5: Planner's problem and shocks

L6: Quiz 1. Problem Set 2

L7: Planner's problem with endogenous labor supply

L8: Government spending, taxes, and Ricardian equivalence

L9: Problem Set 3

L10: Externalities in the neoclassical model

L11: Solving the neoclassical model recursively

L12: Quiz 2. Problem Set 4

L13: Uncertainty and Real Business Cyles

L14: Optimal public debt management

L15: Problem Set 5

L16: Optimal Unemployment Insurance

L17: Bank Runs

L18: Quiz 3 (numerical).

---

*Course Objectives:* Understand the behaviour of the aggregate economy in the Neoclassical Model. Simulate models using excel and matlab.

---

*Grading:* 70% final exam, 30% quizzes.

*Bibliography*: There isn't one book that fits the class exactly. Useful references are:

Romer, Advanced Macroeconomics, 3rd Edition, McGraw Hill, 2006

Ljungqvist and Sargent, Recursive Macroeconomic Theory, 2nd edition, MIT press, 2004

*Short Bio of Instructor:* Catarina Reis holds a Ph.D. in Economics from the Massachusetts Institute of Technology, USA, and B.Sc. in Economics from the Católica-Lisbon SBE. Formerly she was Academic Director of the M.Sc. in Economics at Católica-Lisbon.

Her research focuses on macroeconomic models of optimal taxation, with a special focus on the taxation of capital income. Her research has been published in international journals such as *Macroeconomic Dynamics* and *Journal of Economic Theory*.