

Instructor: Christopher Hanes
Library Tower 916 (9th floor)
Telephone: 777-5487
email: chanes@binghamton.edu
webpage: <http://bingweb.binghamton.edu/~chanes/>

Requirements:

Two midterm examinations. THERE WILL BE NO MAKE-UP OR ALTERNATIVE EXAMINATION TIME.

Final exam (comprehensive).

Problem sets. You must hand in ALL problem sets on time or you will receive an F for the course. I will go over what you hand in & give you comments, but your course grade will not be affected by whether you get the answers right or wrong. You are encouraged to work together on problem sets.

Description of course: introduction to theories of long-run economic growth, Keynesian models of business cycles, and monetary policy.

Topics and readings:

Symbols describing where readings are available:

1 Available through JSTOR. Go to library website, look up JSTOR in catalogue.

2 A book available in library or on my door in an envelope. Please xerox and return quickly, so that others can xerox too.

3 Go to the library website, click on “metaLINK,” then click on “e-Journals,” then type in the name of the journal and go to the site that covers the year needed.

Models of long-term economic growth

Malthusian model. No readings, just notes.

Solow model

Romer chapter 1

Mankiw, N. Gregory, David Romer and David Weil. “A Contribution to the Empirics of Economic Growth.” Quarterly Journal of Economics, May 1992, 107: 407-437.**1**

Overlapping generations (OLG) model

Romer chapter 2, Part B

From Malthus to Solow

Weil, David and Oded Galor. “From Malthusian Stagnation to Modern Growth.” American Economic Review, May 1999, 89: 150-154.**1**

Clark, Gregory. “The Condition of the Working Class in England, 1209-2004.” Journal of Political Economy, 2005, 113: 1307-1340.**3**

Business cycles and the Keynesian IS/LM model

If you did not learn a lot about the IS/LM model as an undergraduate, read this undergraduate presentation of the model: N. Mankiw Mankiw, Macroeconomics (6th edition), chapters 4, 9, 10, 11.

Romer chapter 4 *only* section 4.1; chapter 5

Poole, William. "Optimal Choice of Monetary Instruments in a Simple Stochastic Macro Model." Quarterly Journal of Economics, May 1970, 84: 197-216.1

Aggregate supply

Romer chapter 5

Friedman, Milton. "The Role of Monetary Policy." American Economic Review, March 1968, 58:1-17.1

Rational expectations and monetary policy

Romer chapter 10

Taylor, John. "Discretion versus Policy Rules in Practice." Carnegie-Rochester Conference Series on Public Policy. December 1993, 39: 195-214.2

-- Monetary Policy Rules, 1999. Introduction and Chapter 7, "A Historical Analysis..." Blinder (1997).2

Alan S. Blinder. "What Central Bankers Could Learn from Academics - and Vice Versa." Journal of Economic Perspectives, Spring 1997, 11: 3-19.1

Ben S. Bernanke and Frederic S. Mishkin, "Inflation Targeting: A New Framework for Monetary Policy?" Journal of Economic Perspectives, Spring 1997, 11: 97-116.1

Lars E. O. Svensson, "Inflation forecast targeting: Implementing and monitoring inflation targets." European Economic Review, June 1997, 41: 1111-1146.3

Financial intermediation

Douglas Diamond and Philip H. Dybvig. "Bank Runs, Deposit Insurance and Liquidity." Journal of Political Economy, June 1983, 91: 401-419.1

Romer section 8.9

Ben Bernanke and Mark Gertler. "Agency Costs, Net Worth and Business Fluctuations." American Economic Review, March 1989, 79: 14-31.1