

Nom del Màster	International Master in Economic Analysis.	Mòdul	Topics in Macroeconomics and Finance
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DADES ESPECÍFIQUES DEL MÒDUL

Objectius Formatius del Mòdul	<p>After the successful completion of the module the student will be able to:</p> <ol style="list-style-type: none"> 1. Formulate interesting questions in Macroeconomics and Finance. 2. Start formal research in the frontier of the knowledge of the Macroeconomics and Finance Theory. 	
Competències específiques del Mòdul	Competència	Descripció
	<ol style="list-style-type: none"> 1. Scientific area 2. Interpersonal area 3. Communicative skills 4. Self-learning area 	<p>Ability to propose and solve complex theoretical models, to interpret results, and to propose policy recommendations.</p> <p>Cooperation in contrasting results, discuss applicability/relevance.</p> <p>Ability to motivate the analysis, to interpret results, and to present them in a clear way.</p> <p>Choosing modeling and motivation strategy.</p>
Estructura i Continguts del Mòdul	<p>BLOCK 1. Competitive Equilibria of Economies with Symmetric and Asymmetric Information.</p> <ol style="list-style-type: none"> 1. Review. 2. Default and collateral. 3. Borrowing constraints and limited commitment. 4. Rational expectations equilibria: markets with insider trading. 5. Private information over idiosyncratic states. 6. Imperfectly Observable Trades. <p>BLOCK 2. Dynamic Asset Valuation.</p> <ol style="list-style-type: none"> 1. Dynamic valuation in discrete-time (I). 2. Dynamic valuation in discrete-time (II). 	

	<ol style="list-style-type: none"> 3. Stochastic calculus. 4. Dynamic valuation in continuous time. <p>BLOCK 3: Growth and development.</p> <ol style="list-style-type: none"> 1. Development Facts. 2. The Importance of the Sectoral Composition. 3. Adoption, Barriers, and Monopoly. 4. Political Economy and Institutions. 5. Technological Progress and Diffusion. 6. Capital Markets and Development. 7. Trade and Growth. <p>BLOCK 4: Heterogeneity in the Macroeconomy.</p> <ol style="list-style-type: none"> 1. Facts. 2. Dynamics of inequality with complete markets. 3. Partial insurance for idiosyncratic risks. 4. Partial risk-sharing and endogenously incomplete markets. 5. Aggregate fluctuations with incomplete markets. <p>BLOCK 5: Money and Monetary Policy.</p> <ol style="list-style-type: none"> 1. A First Introduction to Money: Some Stylized Facts 2. Macroeconomic Models of Money 3. Lucas Island Model 4. Cash in Advance 5. Sticky wages and prices 6. The persistence problem 7. IS-LM is Back 8. The Liquidity Effect 9. Monetary Policy Rules 10. Inflation, Welfare, and Optimal Monetary Policy/Interest Rate Rules
<p>Metodologia docent</p>	<p>Apart from the usual lectures, problems sets related to each topic will be assigned to students, evaluated to complement their learning process and discussed in class.</p> <ul style="list-style-type: none"> - E-A presential: 40% - E-A directed: 20% - E-A autonomous/group work: 40%

<p style="text-align: center;">Avaluació</p>	<p>The final grade will be based on the problem sets, presentations in class and the final exam.</p>
<p style="text-align: center;">Bibliografia bàsica i enllaços web mes importants</p>	<p>BLOCK 1.</p> <ol style="list-style-type: none"> 1. Magill, M. and W. Shafer: Incomplete Markets, in W. Hildenbrand and H. Sonnenschein (eds.), <i>Handbook of Mathematical Economics.</i>, vol. IV (ch. 30). 2. Ljungqvist, L. and T. Sargent (2000): <i>Recursive Macroeconomic Theory</i>, MIT Press.. 3. Dubey, P., J. Geanakoplos and M. Shubik (2005): <i>Default and Efficiency in a General Equilibrium Model with Incomplete Markets</i>, <i>Econometrica</i>. 4. Grossman, S. and J. Stiglitz (1981): <i>On the Impossibility of Informationally Efficient Markets</i>, <i>Amer. Econ. Rev.</i>, 393-408. <p>BLOCK 2.</p> <ol style="list-style-type: none"> 1. Cochrane, J. H. (2001): <i>Asset Pricing</i>. Princeton University Press. Princeton, NJ. 2. Duffie, D. (2001): <i>Dynamic Asset Pricing Models</i>. Princeton University Press. Princeton, NJ. 3. Huang, C.F. and R.H. Litzenberger (1988): <i>Foundations for Financial Economics</i>. North-Holland. New York, NY. 4. Ingersoll, J. (1987): <i>Theory of Financial Decision Making</i>. Rowman and Littlefield. Totowa, NJ. <p>BLOCK 3:</p> <ol style="list-style-type: none"> 1. <i>Handbook of Economic Growth</i>, Elsevier, forthcoming. 2. Parente, S. and E. C. Prescott (2000), <i>Barriers to Riches</i>, MIT Press. 3. Ray, D. (1998), <i>Development Economics</i>, Princeton University Press. <p>BLOCK 4:</p> <ol style="list-style-type: none"> 1. Aiyagari, Rao (1994) “Uninsured Risk and Aggregate Saving,” <i>Quarterly Journal of Economics</i>, 109, 659-684. 2. Budría, Santiago, Javier Díaz-Giménez, José-Victor Ríos-Rull and Vincenzo Quadrini (2002) “Updated Facts on the U.S. Distributions of Earnings, Income and Wealth”, <i>Quarterly Review of the Federal Reserve Bank of Minneapolis</i>. 3. Krusell, P. and Smith, A. (1998): “Income and Wealth

Heterogeneity in the Macroeconomy,” Journal of Political Economy, 106, 867-896.

BLOCK 5:

1. Mankiw, N. Gregory (ed.), 1994: Monetary Policy, Chicago: University of Chicago Press.
2. Taylor, John B. (ed.), 1999: Monetary Policy Rules, Chicago: University of Chicago Press.
3. Walsh, Carl E., 1998: Monetary Theory and Policy, Cambridge: MIT Press.
4. Woodford, Michael, 2005, Interest and Prices: Foundations of a Theory of Monetary Policy. Princeton University Press.