

# MAcroeconomics Lecture Notes

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# TABLE OF CONTENTS

## **1. Introduction**

- (a) questions as moments
- (b) types of models
- (c) solving and identifying models
- (d) eight tools

## **2. Dynamic Equilibrium Models I: Two-Period Economies**

- (a) exchange economy
- (b) production economy
- (c) uncertainty and expectations
- (d) application: labour supply and Lucas's critique
- (e) application: asset pricing
- (f) application: Ricardian equivalence

## **3. Difference Equations and Dynamic Linear Models**

- (a) rational expectations and rules of forecasting
- (b) expectations of exogenous variables
- (c) expectations of endogenous variables
- (d) bubbles
- (e) applications: contracts; exchange rates; hyperinflation

#### **4. Dynamic Equilibrium Models II: Growth**

- (a) overlapping generations (OLG)
- (b) Solow-Swan growth
- (c) application: convergence
- (d) growth accounting
- (e) endogenous growth

#### **5. Dynamic Equilibrium Models III: Business-Cycle Models**

- (a) introduction to dynamic programming: the neoclassical growth model
- (b) application: real business cycles
- (c) introduction to the generalized method of moments

#### **6. Consumption and Tax Smoothing**

- (a) budget constraints and present-value accounting
- (b) Euler equation evidence
- (c) consumption functions
- (d) tax smoothing