

**Economics 395: Independent Study**  
**Introduction to Graduate Macroeconomics**

**Dr. Gouri Suresh**  
**Spring 2018**

Meetings: F 9:30 am – 10:30 am in Chambers B022  
Office Hours: M 12:00 noon – 3:00 pm, W 9:00 am – 12:00 noon, and by appointment  
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**Course Description**

This independent study is designed to give the student an early exposure to graduate level macroeconomics. We will select some important graduate level topics to focus on. In particular, we will cover materials from the lecture notes used in graduate schools and Chapters 2, 3, 4, and 5 of Adda and Cooper, *Dynamic Economics*, MIT Press, 2003. This course includes weekly sessions with the instructor during which the students and the instructor will discuss assigned readings as well as the solutions to problems based on those readings. Students are expected to complete each reading in depth as well as complete their problem sets before each session.

**Learning Outcomes**

By the end of this course, a successful student will be able to:

- Develop a good insight into the general guidelines for specifying macroeconomic models
- Learn about dynamic stochastic general equilibrium models (DSGE models)
- Critically read, understand, and interpret macroeconomic research papers

**Statement on Inclusion**

Your success in this class is important to me. Please let me know if there is anything I can do to help you better understand the materials in this course, and I will try to do it if I can. Having trouble with the concepts discussed in class? Come talk to me! Not sure about solving problem sets? Come talk to me!

The college welcomes requests for accommodations related to disability and will grant those that are determined to be reasonable and maintain the integrity of a program or curriculum. To make such a request or to begin a conversation about a possible request, please contact the Office of Academic Access and Disability Resources, which is located in the Center for Teaching and Learning in the E.H. Little Library: Beth Bleil, Director, [bebleil@davidson.edu](mailto:bebleil@davidson.edu), 704-894-2129; or Alysen Beaty, Assistant Director, [albeaty@davidson.edu](mailto:albeaty@davidson.edu), 704-894-2939. It is best to submit accommodation requests within the drop/add period; however, requests can be made at any time in the semester. Please keep in mind that accommodations are not retroactive.

**Required and Supplemental Readings**

Tentative Textbooks:

- a. Obstfeld and Rogoff, *Foundations of International Macroeconomics*, MIT Press, 1998
- b. Adda and Cooper, *Dynamic Economics*, MIT Press, 2003

Tentative Papers:

- a. Diamond, P. and P. Dybvig. (1983). “Bank Runs, Deposit Insurance, and Liquidity”.  
Journal of Political Economy.

- b. Gale, D. (1973). "Pure Exchange Equilibrium of Dynamic Economic Models". Journal of Economic Theory.
- c. Gali, J. (1994b). "Monopolistic Competition, Endogenous Markups and Growth". European Economic Review.
- d. Kydland, F. and E. Prescott. (1982). "Time to Build and Aggregate Fluctuations". Econometrica.
- e. Lucas, R. (1972). "Expectations and the Neutrality of Money". Journal of Economic Theory.
- f. Ramsey, F. (1928). "A mathematical theory of saving". Economic Journal.
- g. Romer, P. (1987). "Growth Based on Increasing Returns Due to Specialization". American Economic Review.
- h. Shell, K. (1971). "Notes on the Economics of Infinity". Journal of Political Economy.
- i. Solow, R. (1956). "A Contribution to the Theory of Economic Growth". Quarterly Journal of Economics.

### **Grading**

There will be weekly homework sets assigned during sessions. Students will be evaluated on the quantity of problems they attempt and on the quality of their presentations of answers to the homework sets. This course will provide excellent preparation for students considering a graduate school program in economics post--Davidson.