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Lectures on Macroeconomics - Olivier Blanchard 1989-03-21

The main purpose of Lectures on Macroeconomics is to characterize and explain fluctuations in output, unemployment and movement in prices. Lectures on Macroeconomics provides the first comprehensive description and evaluation of macroeconomic theory in many years. While the authors' perspective is broad, they clearly state their assessment of what is important and what is not as they present the essence of macroeconomic theory today. The main purpose of Lectures on Macroeconomics is to characterize and explain fluctuations in output, unemployment and movement in prices. The most important fact of modern economic history is persistent long term growth, but as the book makes clear, this growth is far from steady. The authors analyze and explore these fluctuations. Topics include consumption and investment; the Overlapping Generations Model; money; multiple equilibria, bubbles, and stability; the role of nominal rigidities; competitive equilibrium business cycles, nominal rigidities and economic fluctuations, goods, labor and credit markets; and monetary and fiscal policy issues. Each of chapters 2 through 9 discusses models appropriate to the topic. Chapter 10 then draws on the previous chapters, asks which models are the workhorses of macroeconomics, and sets the models out in convenient form. A concluding chapter analyzes the goals of economic policy, monetary policy, fiscal policy, and dynamic inconsistency. Written as a text for graduate students with some background in macroeconomics, statistics, and econometrics, Lectures on Macroeconomics also presents topics in a self contained way that makes it a suitable reference for professional economists.

Macroeconomic Theory - Michael Wickens 2012-03-12

The definitive graduate textbook on modern macroeconomics Macroeconomic Theory is the most up-to-date graduate-level macroeconomics textbook available today. This revised second edition emphasizes the general equilibrium character of macroeconomics to explain effects across the whole economy while taking into account recent research in the field. It is the perfect resource for students and researchers seeking coverage of the most current developments in macroeconomics. Michael Wickens lays out the core ideas of modern macroeconomics and its links with finance. He presents the simplest general equilibrium macroeconomic model for a closed economy, and then gradually develops a comprehensive model of the open economy. Every important topic is covered, including growth, business cycles, fiscal policy, taxation and debt finance, current account sustainability, and exchange-rate determination. There is also an up-to-date account of monetary policy through inflation targeting. Wickens addresses the interrelationships between macroeconomics and modern finance and shows how they affect stock, bond, and foreign-exchange markets. In this edition, he also examines issues raised by the most recent financial crisis, and two new chapters explore banks, financial intermediation, and unconventional monetary policy, as well as modern theories of unemployment. There is new material in most other chapters, including macrofinance models and inflation targeting when there are supply shocks. While the mathematics in the book is rigorous, the fundamental concepts presented make the text self-contained and easy to use.

Accessible, comprehensive, and wide-ranging, Macroeconomic Theory is the standard book on the subject for students and economists. The most up-to-date graduate macroeconomics textbook available today General equilibrium macroeconomics and the latest advances covered fully and completely Two new chapters investigate banking and monetary policy, and unemployment Addresses questions raised by the recent financial crisis Web-based exercises with answers Extensive mathematical appendix for at-a-glance easy reference This book has been adopted as a textbook at the following universities: American University Bentley College Brandeis University Brigham Young University California Lutheran University California State University - Sacramento Cardiff

University Carleton University Colorado College Fordham University London Metropolitan University New York University Northeastern University Ohio University - Main Campus San Diego State University St. Cloud State University State University Of New York - Amherst Campus State University Of New York - Buffalo North Campus Temple University - Main Texas Tech University University of Alberta University Of Notre Dame University Of Ottawa University Of Pittsburgh University Of South Florida - Tampa University Of Tennessee University Of Texas At Dallas University Of Washington University of Western Ontario Wesleyan University Western Nevada Community College

Macroeconomic Theory - Volker Böhm 2017-10-30

This textbook offers a unique approach to macroeconomic theory built on microeconomic foundations of monetary macroeconomics within a unified framework of an intertemporal general equilibrium model extended to a sequential and dynamic analysis. It investigates the implications of expectations and of stationary fiscal policies on allocations, on the quantity of money, and on the dynamic evolution of the economy with and without noise. The text contrasts and compares the two main competing approaches in macroeconomics within the same intertemporal model of a closed monetary economy: the one postulating full price flexibility to guarantee equilibrium in all markets at all times under perfect foresight or rational expectations, versus the so called disequilibrium approach where trading occurs at non-market-clearing prices and wages when these adjust sluggishly from period to period in response to market disequilibrium signals.

Money, Inflation, and Capital Formation - Leopold von Thadden 2012-12-06

This book is a slightly revised version of my doctoral thesis which I wrote during my time as an assistant at the Faculty of Economics of the University of Magdeburg. I am grateful that I had the opportunity to write my thesis in the stimulating atmosphere of this young and lively faculty. I owe a great amount of gratitude to my supervisor Prof. G. Schwodiauer who constantly encouraged my work and helped to improve it in many discussions. I also would like to thank Prof. K-H. Paque and Prof. P. Flaschel who, as members of my doctoral committee, commented on various details of this study in a very constructive manner. At various stages of my work I received helpful comments from many colleagues of mine, in particular T. König and A. Wohrmann. However, it goes without saying that I retain full responsibility for all remaining errors. Contents Introduction 1 I Money, inflation, and capital formation in the long run: general remarks 5 1 Summary of the literature: theoretical aspects 7 2 Summary of the literature: empirical aspects 19 3 Further reflections on money 29 II Money, inflation, and capital formation: the perspective of overlapping generations models 43 4 The Diamond model with money as single outside asset 45 4. 1 The model. 46 4. 2 Equilibrium conditions. 51 4. 3 Policy effects 58 4. 4 Discussion. 61 4. 5 Appendix . 63 5 Variation 1: Imperfect credit markets and asymmetric information 65 5. 1 The model.

Open Economy Macroeconomics - Asbjørn Rødseth 2000-09-14

Advanced textbook offering a broad survey of open economy macroeconomics within a unified framework. Rødseth reviews the theories used in government departments, central banks and financial institutions and that form the basis for most quantitative models of open economies. The resulting policy implications are also considered with reference to current European debate. In addition to the theoretical and policy analysis the book also contains a comprehensive survey of the current state of scholarship in this area.

Information Dissemination in Currency Crises - Christina Evelies Metz 2012-12-06

As the complexity of financial markets keeps growing, so does the need to understand the decision-making and the coordination of the ensuing actions in the marketplace. In particular, the disclosure of information to

market participants and its impact on the market outcome merits attention. This study analyses the role of private and public information in currency crises. Calls for increased dissemination of economic and policy-related information by central banks notwithstanding, the study shows that transparency is not generally conducive to preventing speculative attacks in fixed exchange-rate regimes. Rather, the role of private and public information in the market-place depends critically on the prevailing market sentiment. The study also highlights the import of market transparency design in an environment that allows for herding and market leadership of individual speculators.

Unemployment in Open Economies - Pia Weiß 2012-12-06

Unemployment in Open Economies studies how domestic labour markets are influenced by a changing international environment. It combines the recently developed search and matching models with standard models of international trade. By this method, the reader gains new insights in the ongoing debate on how globalisation can affect unemployment. The author develops a collection of models showing that globalisation can be one reason for long-known and well-documented phenomena on the labour market. She puts emphasis on country differences by studying the role of individual risk behavior and the wage setting on the unemployment level.

Understanding DSGE models - Celso Jose Costa Junior 2016-06-30

While the theoretical development of DSGE models is not overly difficult to understand, practical application remains somewhat complex. The literature on this subject has some significant obscure points. This book can be thought of, firstly, as a tool to overcome initial hurdles with this type of modeling. Secondly, by showcasing concrete applications, it aims to persuade incipient researchers to work with this methodology. In principle, this is not a book on macroeconomics in itself, but on tools used in the construction of this sort of models. It strives to present this technique in a detailed manner, thereby providing a step by step course intended to walk readers through this otherwise daunting process. The book begins with a basic Real Business Cycle model. Subsequently various frictions are gradually incorporated into a standard DSGE model: imperfect competition; frictions in prices and in wages; habit formation; non-Ricardian agents; adjustment cost in investment; costs of not using the maximum installed capacity; and finally, Government.

Foundations of Modern Macroeconomics - Ben J. Heijdra 2017

Fully revised and updated, and including brand new problems and numerical examples, the new edition of 'Foundations of modern macroeconomics: exercise and solutions manual' uses worked example models to enable self-study and to allow the reader to derive conclusions regarding macroeconomic phenomena. Complete with a range of problems with varying degrees of difficulty, it provides solutions, hints, and tips, allowing the diligent reader to not only solve models, but to begin to formulate their own."--Back cover

International Finance and Financial Crises - Mr. Peter Isard 2000-01-24

This book contains the proceedings of a conference held in honor of Robert P. Flood Jr. Contributors to the conference were invited to address many of the topics that Robert Flood has explored including regime switching, speculative attacks, bubbles, stock market volatility, macro models with nominal rigidities, dual exchange rates, target zones, and rules versus discretion in monetary policy. The results, contained in this volume, include five papers on topics in international finance.

The International System between New Integration and Neo-Protectionism - Mario Baldassarri 1996-07-13

The world economy is at a cross road: it can either widen and deepen international integration, within and between different areas, or be tempted by neo-protectionism. Which road should the international economy take? Which way will it take? The need to reform the present international monetary system has been almost continuously discussed since the collapse of the Bretton Woods System in August 1971, and even earlier, and it has found renewed interest since the Mexican financial crisis in early 1995. Despite the successful completion of the Uruguay Round in December 1993, many international trade problems remain: many sectors were not included in the agreement, antidumping action and safeguards are still possible, and many trade problems of developing and former communist countries have not been fully addressed. This book analyses this situation by first focusing on the problem of international financial stability and the relationship between national economic policies. It then focuses on the European monetary union within the context of the international monetary system. Finally, the development of international trade is examined within an endogenous growth framework.

Open-Economy Macroeconomics - Helmut Frisch 2016-07-27

The integration of market economies is one of the most remarkable features of international economics, which has important implications for macroeconomic performance in open economies. Equally important is the declining relevance of the real versus the monetary theory dichotomy. These papers focus on those aspects of monetary policy which relate to credibility and non-neutrality; the domestic adjustment to foreign shocks; the interdependence of open economies and their strategic interactions. An important section is also devoted to the innovative modelling of exchange rate dynamics.

Rules, Reputation and Macroeconomic Policy Coordination - David Currie 1993-08-12

Examines the design and conduct of macroeconomic policy in an international context.

Economic and Financial Modeling with Mathematica® - Hal R. Varian 2013-11-21

Mathematica is a computer program (software) for doing symbolic, numeric and graphical analysis of mathematical problems. In the hands of economists, financial analysts and other professionals in econometrics and the quantitative sector of economic and financial modeling, it can be an invaluable tool for modeling and simulation on a large number of issues and problems, besides easily grinding out numbers, doing statistical estimations and rendering graphical plots and visuals.

Mathematica enables these individuals to do all of this in a unified environment. This book's main use is that of an applications handbook. Modeling in Economics and Finance with Mathematica is a compilation of contributed papers prepared by experienced, "hands on" users of the Mathematica program. They come from

Business Cycle Models with Indeterminacy - Mark Weder 2012-12-06

Three original models which explain business cycles as a result of self-fulfilling expectations are presented. The models are founded on the structure of dynamic general equilibrium theory. Market power and increasing returns to scale are introduced which allow indeterminacy of the Rational Expectations equilibria to be obtained. Unlike the majority of existing literature on this subject, the departures from perfect markets and constant returns presented in these models are very low and, more importantly, at a realistic level to achieve the respective results. It is demonstrated in all of the presented models that stylized facts of the business cycle can be reproduced.

Observers and Macroeconomic Systems - Ric D. Herbert 2012-12-06

Observers and Macroeconomic Systems is concerned with the computational aspects of using a control-theoretic approach to the analysis of dynamic macroeconomic systems. The focus is on using a separate model for the development of the control policies. In particular, it uses the observer-based approach whereby the separate model learns to behave in a similar manner to the economic system through output-injections. The book shows how this approach can be used to learn the forward-looking behaviour of economic actors which is a distinguishing feature of dynamic macroeconomic models. It also shows how it can be used in conjunction with low-order models to undertake policy analysis with a large practical econometric model. This overcomes some of the computational problems arising from using just the large econometric models to compute optimal policy trajectories. The work also develops visual simulation software tools that can be used for policy analysis with dynamic macroeconomic systems.

Monetary Theory and Policy - Carl E. Walsh 2003

An overview of recent theoretical and policy-related developments in monetary economics.

Dynamic Macroeconomics - George Alogoskoufis 2019-12-17

An advanced treatment of modern macroeconomics, presented through a sequence of dynamic equilibrium models, with discussion of the implications for monetary and fiscal policy. This textbook offers an advanced treatment of modern macroeconomics, presented through a sequence of dynamic general equilibrium models based on intertemporal optimization on the part of economic agents. The book treats macroeconomics as applied and policy-oriented general equilibrium analysis, examining a number of models, each of which is suitable for investigating specific issues but may be unsuitable for others. After presenting a brief survey of the evolution of macroeconomics and the key facts about long-run economic growth and aggregate fluctuations, the book introduces the main elements of the intertemporal approach through a series of two-period competitive general equilibrium models—the simplest possible intertemporal models. This sets the stage for the remainder of the book, which presents models of economic growth, aggregate fluctuations, and monetary and fiscal policy. The text focuses on a full analysis of a limited number of key intertemporal

models, which are stripped down to essentials so that students can focus on the dynamic properties of the models. Exercises encourage students to try their hands at solving versions of the dynamic models that define modern macroeconomics. Appendixes review the main mathematical techniques needed to analyze optimizing dynamic macroeconomic models. The book is suitable for advanced undergraduate and graduate students who have some knowledge of economic theory and mathematics for economists.

The Dynamics of Keynesian Monetary Growth - Carl Chiarella
2000-08-03

Originally published in 2000, this book is in the tradition of non-market-clearing approaches to macrodynamic approaches. It builds a series of integrated disequilibrium growth models of increasing complexity, which display the economic interaction between households, firms and government across labour, goods, money, bonds and equities markets. Chiarella and Flaschel demonstrate how macrodynamics can be developed in a hierarchical way from economically simple structures to more advanced ones. In addition it investigates complex macrodynamic feedback mechanisms.

Interest and Prices - Michael Woodford 2011-12-12

With the collapse of the Bretton Woods system, any pretense of a connection of the world's currencies to any real commodity has been abandoned. Yet since the 1980s, most central banks have abandoned money-growth targets as practical guidelines for monetary policy as well. How then can pure "fiat" currencies be managed so as to create confidence in the stability of national units of account? *Interest and Prices* seeks to provide theoretical foundations for a rule-based approach to monetary policy suitable for a world of instant communications and ever more efficient financial markets. In such a world, effective monetary policy requires that central banks construct a conscious and articulate account of what they are doing. Michael Woodford reexamines the foundations of monetary economics, and shows how interest-rate policy can be used to achieve an inflation target in the absence of either commodity backing or control of a monetary aggregate. The book further shows how the tools of modern macroeconomic theory can be used to design an optimal inflation-targeting regime--one that balances stabilization goals with the pursuit of price stability in a way that is grounded in an explicit welfare analysis, and that takes account of the "New Classical" critique of traditional policy evaluation exercises. It thus argues that rule-based policymaking need not mean adherence to a rigid framework unrelated to stabilization objectives for the sake of credibility, while at the same time showing the advantages of rule-based over purely discretionary policymaking.

A Theory of Economic Growth - David de la Croix 2002-10-24

This book provides an in-depth treatment of the overlapping generations model in economics incorporating production.

The Rational Expectation Hypothesis, Time-Varying Parameters and Adaptive Control - Marco P. Tucci 2012-12-06

One of the major controversies in macroeconomics over the last 30 years has been that on the effectiveness of stabilization policies. However, this debate, between those who believe that this kind of policies is useless if not harmful and those who argue in favor of it, has been mainly theoretical so far. *The Rational Expectation Hypothesis, Time-Varying Parameters and Adaptive Control* wants to represent a step toward the construction of a common ground on which to empirically compare the two "beliefs" and to do this three strands of literature are brought together. The first strand is the research on time-varying parameters (TVP), the second strand is the work on adaptive control and the third one is the literature on linear stationary models with rational expectations (RE). The material presented in *The Rational Expectation Hypothesis, Time-Varying Parameters and Adaptive Control* is divided into two parts. Part 1 combines the strand of literature on adaptive control with that on TVP. It generalizes the approach pioneered by Tse and Bar-Shalom (1973) and Kendrick (1981) and one recently used in Amman and Kendrick (2002), where the law of motion of the TVP and the hyperstructural parameters are assumed known, to the case where the hyperstructural parameters are assumed unknown. Part 2 is devoted to the linear single-equation stationary RE model estimated with the error-in-variables (EV) method. It presents a new formulation of this problem based on the use of TVP in an EV model. This new formulation opens the door to a very promising development. All the theory developed in the first part to control a model with TVP can *sic et simpliciter* be applied to control a model with RE.

Handbook of Computable General Equilibrium Modeling - Peter B. Dixon 2012-12-04

Top scholars synthesize and analyze scholarship on this widely used tool of policy analysis in 27 articles, setting forth its accomplishments, difficulties, and means of implementation. Though CGE modeling does not play a prominent role in top U.S. graduate schools, it is employed universally in the development of economic policy. This collection is particularly important because it presents a history of modeling applications and examines competing points of view. Presents coherent summaries of CGE theories that inform major model types Covers the construction of CGE databases, model solving, and computer-assisted interpretation of results Shows how CGE modeling has made a contribution to economic policy

Computational Techniques for Econometrics and Economic Analysis - D.A. Belsley 2013-04-17

It is unlikely that any frontier of economics/econometrics is being pushed faster, further than that of computational techniques. The computer has become a tool for performing as well as an environment in which to perform economics and econometrics, taking over where theory bogs down, allowing at least approximate answers to questions that defy closed mathematical or analytical solutions. Tasks may now be attempted that were hitherto beyond human potential, and all the forces available can now be marshalled efficiently, leading to the achievement of desired goals. *Computational Techniques for Econometrics and Economic Analysis* is a collection of recent studies which exemplify all these elements, demonstrating the power that the computer brings to the economic analysts. The book is divided into four parts: 1 -- the computer and econometric methods; 2 -- the computer and economic analysis; 3 -- computational techniques for econometrics; and 4 -- the computer and econometric studies.

Disequilibrium, Growth and Labor Market Dynamics - Carl Chiarella 2013-06-29

In this book on disequilibrium, growth and labor market dynamics we take predominantly a macroeconomic perspective. We present a working model that can easily be varied in different directions in order to subsume innovations in the literature on macroeconomics, old and new, and to contribute to important currently discussed macroeconomic issues. Our working model is set up in a way that there is a close relationship between our presented dynamic models and modern macro econometric models with disequilibrium both in the labor and the goods markets. One of our objectives is, therefore, to narrow the gap between theoretical and applied structural macrodynamic model building. We hope that the book will be a useful reference for all researchers, academic teachers and practitioners of macroeconomic and macro econometric model building who are interested in economic dynamics, independently of whether they use equilibrium or disequilibrium methods in their own research. We base this hope on the fact that our approach contains a number of unique features. The emphasis on the identification and analysis of the basic feedback mechanisms at work in modern macro economies. A detailed study of the partial as well as integrated dynamic interaction between these feedback mechanisms that constitute the interdependence of markets and sectors of the modern macro economy. The relationship between the macroeconomic framework of our working model and the Walrasian, Non-Walrasian and New-Keynesian reformulations of macroeconomics.

Intertemporal Macroeconomics - Michael Carlberg 2012-12-06

This book is concerned with the long-run effects of budgetary and financial policy on aggregate demand and supply. Here the long run is characterized by the accumulation of public debt and foreign assets. This gives rise to a number of questions. Will the long-run equilibrium be stable? What does long-run instability imply? Is the long-run multiplier smaller than the short-run multiplier? Can the long-run multiplier become negative? This book takes a new approach to macroeconomic policy. It assumes a growing economy, as opposed to a stationary economy. And it assumes that the government fixes the deficit rate, as opposed to the tax rate. It is argued that economic growth is an important factor of long-run stability. Similarly, it is argued that a fixed deficit rate is an important factor of long-run stability.

Methods of Macroeconomic Dynamics - Stephen J. Turnovsky 2000
Just as macroeconomic models describe the overall economy within a changing, or dynamic, framework, the models themselves change over time. In this text Stephen J. Turnovsky reviews in depth several early models as well as a representation of more recent models. They include traditional (backward-looking) models, linear rational expectations (future-looking) models, intertemporal optimization models, endogenous growth models, and continuous time stochastic models. The author uses examples from both closed and open economies. Whereas others

commonly introduce models in a closed context, tacking on a brief discussion of the model in an open economy, Turnovsky integrates the two perspectives throughout to reflect the increasingly international outlook of the field. This new edition has been extensively revised. It contains a new chapter on optimal monetary and fiscal policy, and the coverage of growth theory has been expanded substantially. The range of growth models considered has been extended, with particular attention devoted to transitional dynamics and nonscale growth. The book includes cutting-edge research and unpublished data, including much of the author's own work.

The Political Economy of Fiscal Decisions - Jessica de Wolff 2012-12-06

A ruling party decides each of two periods on the level of public goods which it finances by means of taxation and internal debt. The debt has to be honoured by the government of the second period. Between the two periods elections take place, which may change the ruling party. The book analyzes the fiscal decision of the first government which aims to maximize the long run utility of its representative voter. Conditions under which the government uses debt strategically in order to stay in power are identified. It is also shown how the fiscal decisions hinge on the populations' political structure and its beliefs about the future government.

International Macroeconomic Dynamics - Stephen J. Turnovsky 1997

International Macroeconomic Dynamics provides extensive applications of important macroeconomic dynamic models to the international economy. For a long time, the study of macroeconomics has focused almost exclusively on a closed economy and downplayed the role of international transactions. Today, however, researchers recognize that one cannot fully understand domestic macroeconomic relationships without considering the global economy within which each country operates. Increasingly, economists are treating international transactions as an integral part of the macroeconomic system, and international macroeconomics has become an area of intensive research activity. International Macroeconomic Dynamics provides extensive applications of important macroeconomic dynamic models to the international economy. It adopts the main contemporary macroeconomic framework, the representative agent model, and develops a series of models of increasing complexity. The author considers both small and large economies and analyzes them in both deterministic and stochastic contexts. The emphasis is very much on the development of the analytical models; a novel feature is the extensive use of continuous-time stochastic methods. While the author applies the models to a range of important policy issues, particularly issues of fiscal policy, the reader is invited to view the analyses as blueprints for other applications.

Recursive Macroeconomic Theory, fourth edition - Lars Ljungqvist 2018-09-11

The substantially revised fourth edition of a widely used text, offering both an introduction to recursive methods and advanced material, mixing tools and sample applications. Recursive methods provide powerful ways to pose and solve problems in dynamic macroeconomics. Recursive Macroeconomic Theory offers both an introduction to recursive methods and more advanced material. Only practice in solving diverse problems fully conveys the advantages of the recursive approach, so the book provides many applications. This fourth edition features two new chapters and substantial revisions to other chapters that demonstrate the power of recursive methods. One new chapter applies the recursive approach to Ramsey taxation and sharply characterizes the time inconsistency of optimal policies. These insights are used in other chapters to simplify recursive formulations of Ramsey plans and credible government policies. The second new chapter explores the mechanics of matching models and identifies a common channel through which productivity shocks are magnified across a variety of matching models. Other chapters have been extended and refined. For example, there is new material on heterogeneous beliefs in both complete and incomplete markets models; and there is a deeper account of forces that shape aggregate labor supply elasticities in lifecycle models. The book is suitable for first- and second-year graduate courses in macroeconomics. Most chapters conclude with exercises; many exercises and examples use Matlab or Python computer programming languages.

Understanding DSGE models - Celso Costa 2018-04-15

While the theoretical development of DSGE models is not overly difficult to understand, practical application remains somewhat complex. The literature on this subject has some significant obscure points. This book can be thought of, firstly, as a tool to overcome initial hurdles with this type of modeling. Secondly, by showcasing concrete applications, it aims to persuade incipient researchers to work with this methodology. In

principle, this is not a book on macroeconomics in itself, but on tools used in the construction of this sort of models. It strives to present this technique in a detailed manner, thereby providing a step by step course intended to walk readers through this otherwise daunting process. The book begins with a basic Real Business Cycle model. Subsequently various frictions are gradually incorporated into a standard DSGE model: imperfect competition; frictions in prices and in wages; habit formation; non-Ricardian agents; adjustment cost in investment; costs of not using the maximum installed capacity; and finally, Government.

Essays on Wage Bargaining in Dynamic Macroeconomics - Oliver Claas 2019-11-20

This book addresses collective bargaining in an intertemporal monetary macroeconomy of the aggregate supply-aggregate demand (AS-AD) type with overlapping generations of consumers and with a public sector. The results are presented in a unified framework with a commodity market that clears competitively. By analyzing the implications of three variants of collective bargaining - efficient bargaining in a uniform and a segmented labor market and "right-to-manage" wage bargaining - it identifies the quantity of money, price expectations, union power, and union size as the determinants of temporary equilibria. In the three scenarios, it characterizes and compares the temporary equilibria using both analytical and numerical techniques, with an emphasis on allocations, welfare, and efficiency. It also discusses the dynamic evolution under rational expectations and its steady states in nominal and real terms. Lastly, it demonstrates conditions for stability regarding a balanced monetary expansion of the economy.

Computational Economics - David A. Kendrick 2011-10-23

The ability to conceptualize an economic problem verbally, to formulate it as a mathematical model, and then represent the mathematics in software so that the model can be solved on a computer is a crucial skill for economists. Computational Economics contains well-known models--and some brand-new ones--designed to help students move from verbal to mathematical to computational representations in economic modeling. The authors' focus, however, is not just on solving the models, but also on developing the ability to modify them to reflect one's interest and point of view. The result is a book that enables students to be creative in developing models that are relevant to the economic problems of their times. Unlike other computational economics textbooks, this book is organized around economic topics, among them macroeconomics, microeconomics, and finance. The authors employ various software systems--including MATLAB, Mathematica, GAMS, the nonlinear programming solver in Excel, and the database systems in Access--to enable students to use the most advantageous system. The book progresses from relatively simple models to more complex ones, and includes appendices on the ins and outs of running each program. The book is intended for use by advanced undergraduates and professional economists and even, as a first exposure to computational economics, by graduate students. Organized by economic topics Progresses from simple to more complex models Includes instructions on numerous software systems Encourages customization and creativity

Economic Dynamics in Discrete Time - Jianjun Miao 2014-09-19

A unified, comprehensive, and up-to-date introduction to the analytical and numerical tools for solving dynamic economic problems. This book offers a unified, comprehensive, and up-to-date treatment of analytical and numerical tools for solving dynamic economic problems. The focus is on introducing recursive methods—an important part of every economist's set of tools—and readers will learn to apply recursive methods to a variety of dynamic economic problems. The book is notable for its combination of theoretical foundations and numerical methods. Each topic is first described in theoretical terms, with explicit definitions and rigorous proofs; numerical methods and computer codes to implement these methods follow. Drawing on the latest research, the book covers such cutting-edge topics as asset price bubbles, recursive utility, robust control, policy analysis in dynamic New Keynesian models with the zero lower bound on interest rates, and Bayesian estimation of dynamic stochastic general equilibrium (DSGE) models. The book first introduces the theory of dynamical systems and numerical methods for solving dynamical systems, and then discusses the theory and applications of dynamic optimization. The book goes on to treat equilibrium analysis, covering a variety of core macroeconomic models, and such additional topics as recursive utility (increasingly used in finance and macroeconomics), dynamic games, and recursive contracts. The book introduces Dynare, a widely used software platform for handling a range of economic models; readers will learn to use Dynare for numerically solving DSGE models and performing Bayesian

estimation of DSGE models. Mathematical appendixes present all the necessary mathematical concepts and results. Matlab codes used to solve examples are indexed and downloadable from the book's website. A solutions manual for students is available for sale from the MIT Press; a downloadable instructor's manual is available to qualified instructors.

Structural Macroeconometrics - David N. DeJong 2011-10-03

The revised edition of the essential resource on macroeconometrics Structural Macroeconometrics provides a thorough overview and in-depth exploration of methodologies, models, and techniques used to analyze forces shaping national economies. In this thoroughly revised second edition, David DeJong and Chetan Dave emphasize time series econometrics and unite theoretical and empirical research, while taking into account important new advances in the field. The authors detail strategies for solving dynamic structural models and present the full range of methods for characterizing and evaluating empirical implications, including calibration exercises, method-of-moment procedures, and likelihood-based procedures, both classical and Bayesian. The authors look at recent strides that have been made to enhance numerical efficiency, consider the expanded applicability of dynamic factor models, and examine the use of alternative assumptions involving learning and rational inattention on the part of decision makers. The treatment of methodologies for obtaining nonlinear model representations has been expanded, and linear and nonlinear model representations are integrated throughout the text. The book offers a rich array of implementation algorithms, sample empirical applications, and supporting computer code. Structural Macroeconometrics is the ideal textbook for graduate students seeking an introduction to macroeconomics and econometrics, and for advanced students pursuing applied research in macroeconomics. The book's historical perspective, along with its broad presentation of alternative methodologies, makes it an indispensable resource for academics and professionals.

Exploring the Mechanics of Chronic Inflation and Hyperinflation - Fernando de Holanda Barbosa 2016-10-17

This book presents a theoretical framework to explain chronic inflation and hyperinflation. The roots of these two phenomenon are a fiscal monetary regime in which money issues finance the public deficit. Chronic inflation is modeled by using both the old and the new Keynesian model, with a different policy rule. Instead of using the Taylor rule, the central bank policy rule states that money is issued to finance the public deficit. The chronic inflation models take into account the fact that indexation mechanisms adjust prices and wages, yielding the inertial component of inflation. The dynamics of these models can be very unstable under parameter changes or shocks that hit the economy. The previous hyperinflation models surveyed in this book attempt to explain hyperinflation as a bubble phenomenon because they assume a constant real deficit financed by money. The mechanics of hyperinflation models in this book explains hyperinflation by a fiscal crisis, characterized by an

increasing fiscal deficit. This fiscal crisis yields an intertemporal budget constraint that is not sustainable. The analysis of the pathology of hyperinflation uses the same tools employed to understand the pathologies of public debt and external debt crises. The hyperinflation model allows a taxonomy of hyperinflations, namely bubble, weak and strong, that can be tested with the inflation tax revenue curve.

The ABCs of RBCs - George McCandless 2008-03-31

The ABCs of RBCs is the first book to provide a basic introduction to Real Business Cycle (RBC) and New-Keynesian models. These models argue that random shocks—new inventions, droughts, and wars, in the case of pure RBC models, and monetary and fiscal policy and international investor risk aversion, in more open interpretations—can trigger booms and recessions and can account for much of observed output volatility. George McCandless works through a sequence of these Real Business Cycle and New-Keynesian dynamic stochastic general equilibrium models in fine detail, showing how to solve them, and how to add important extensions to the basic model, such as money, price and wage rigidities, financial markets, and an open economy. The impulse response functions of each new model show how the added feature changes the dynamics. The ABCs of RBCs is designed to teach the economic practitioner or student how to build simple RBC models. Matlab code for solving many of the models is provided, and careful readers should be able to construct, solve, and use their own models. In the tradition of the “freshwater” economic schools of Chicago and Minnesota, McCandless enhances the methods and sophistication of current macroeconomic modeling.

Handbook of Macroeconomics - Michael Woodford 1999

How Crises Shaped Economic Ideas and Policies - Nicos Christodoulakis 2015-04-13

This book explores how successful the various tenets of economic thought have been in prognosticating or remedying economic crises. Examining key episodes in economic history, from famines in antiquity to present-day financial collapse, the author finds that several theories failed to cope with a crisis and lost their academic impact. The author also presents cases in which major theoretical innovations were achieved after the experience of a crisis as well as cases where a completely new theory was needed to explain and face the events. This book will appeal to researchers and scholars interested in understanding how theoretical developments in economics are affected by real-world economic crises.

Colombia - Marcelo Giugale 2003

Recent political changes in Colombia have opened up possibilities to think beyond the long-standing conflict and violence to promote a development agenda, based upon economic growth, social welfare and environmental protection. This publication contains various policy papers which seek to contribute to the national debate on options to address these development challenges. The book is intended to provide the incoming Colombian presidential administration with a comprehensive policy discussion regarding the country's development agenda.