

Macroeconomics: Economic Growth

| Dozent | Raum | Telefon | Sprechstunde |
|-------------------------|----------|----------|-----------------------|
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Contents:

The lecture is concerned with the development of the economy over time, in particular with economic growth. In a first step the lecture considers how dynamic issues are dealt with in the context of traditional macroeconomics. We then go on and develop a dynamic model in which households, firms, and the government form expectations about future conditions and take account of future implications of current decisions. This model is varied to see implications of uncertainty and overlapping generations. Finally we discuss the sources and limits of economic growth.

Learning Objectives:

Students

- learn how to derive a standard macroeconomic model from a set of optimal decisions of agents and their (intertemporal) constraints
- learn how to use the model for basic predictions about effects of changes in endowments and starting conditions on short- and long-term equilibria
- learn to modify the basic model to take account of uncertainty, infinite time and overlapping generations and understand the difficulties that are associated with some of these extensions
- learn to apply techniques of intertemporal optimization
- get acquainted with basic characteristics of economic growth
- learn conditions under which the macroeconomic model is consistent with continuous economic growth
- learn about the limits and determinants of economic growth

Literature:

Romer, D. (1996): Advanced Macroeconomics, 2. Auflage, Mc-Graw-Hill.

Dates and Frequency:

Lecture: Monday 16:45 - 18:15, LG 0.141 (Start: 21.10.2019).

Tutorial: Thursday 16:45 - 18:15, LG 0.222. Further information will be given in the first lecture.