

Topics in Macroeconomics: Business Cycle Analysis

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Aim This course provides an introduction to business cycle analysis. First, the course outlines the properties of state-of-the art macro-models used for policy analysis. Second, it demonstrates some techniques that are frequently applied to solve dynamic stochastic general equilibrium models (DSGE). Finally, it discusses various methods to confront business cycle models with the data and how to utilize these models to address actual policy questions.

1 Real business cycles

- Introduction to real business cycle models
- Solving linear rational expectations models, calibration exercises

2 The canonical New Keynesian model

- Price rigidities and monetary policy rules
- Optimal rules

3 Empirical evaluation

- Understanding the main features of prototype medium-scale DSGE models
- Estimating DSGE models

4 Policy analysis

- DSGE models at policy making institutions
- Policy analysis: some examples

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