Econ 501: Advanced Macroeconomics  
Spring 2012

Dr Ahmed Kamaly  
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Office hours  
Sunday: 4:00-5:00. Wednesday: 4:00-5:00 or by appointment.

Meeting Time and Place  
Sunday 6:00-8:25 pm. Room CP14 Jameel building

Teaching Assistant  
Ms Omneya Ramadan

Required Textbooks  
There are no required textbooks for this course. However, students can find the following books useful to illustrate some points in the lectures and for more rigorous treatment of the different subjects.


Course Description  
This course intends to give the students a bit rigorous treatment of macroeconomic theory. Usually macroeconomic theory in graduate school is covered in a sequence of two courses. However, since the department has only one graduate course in macroeconomic theory, our treatment of the subject will focus on the essentials.

The course will be divided into topics as presented in the tentative outline section. For most of the students, these topics look familiar as undergraduate courses in macroeconomics cover more or less the same topics. However, the treatment of these topics in this course will be completely different from the usual undergraduate treatment. In addition, this course will pick up some of the ignored aspects in undergraduate macro courses such as dynamics and microfoundation of macroeconomics.

Students who have solid foundation in mathematics or who already took Econ 502 (Advanced Microeconomics) will have some advantage over other students. However, students will be required to attend problem sessions that go over some mathematical concepts and applied problems to help them understand better and benefit more from the lectures.

Studying for this course is mainly from the notes; however, interested students should consult the assigned papers.
The emphasis throughout the course will be on understanding not memorizing. Exams will be designed to test your understanding not your memorizing capabilities. Exams will be in the form of problems that use both your analytical as well as your economic intuition. No medical excuses are accepted in exam dates except in case of hospitalization.

**Grading system**
1 midterm 40%, final exam 45%, and 15% attendance and participation. I do not use a curve in grading your exams. Letter grades are assigned as follows:
A     > 90%
A-    > 85%
B+    > 80%
And so on.....

**Tentative outline**
I. Household consumption behavior
   a. Keynesian consumption function
   b. Permanent income hypothesis
   c. Precautionary saving
   d. Overlapping generation model

II. Asset pricing
   a. Efficient market model
   b. Consumption-based capital asset pricing model (C-CAPM)

III. Business cycle models
   a. Lucas Islands model
   b. Productivity shock models
   c. Inventories and business cycle
   d. New-Keynesian models and multiple equilibria

Midterm Exam, Sunday 11th of March

IV. Investment
   a. Neoclassical theory of investment
   b. Tobin’s Q theory
   c. Phase diagrams
   d. Graphical analysis of investment theory

V. Growth models
   a. Solow model
   b. Ramsey-Gass-Koopman model
   c. Example of endogenous growth models (AK model)

VI. Monetary economics
   a. Money in the utility function (cash-in-advance)
   b. Money in the production function
   c. Introduction to time-inconsistency