

Nazarbayev University
School of Humanities and Social Sciences
ECON 543 – Topics in Macroeconomic Theory
Syllabus

Instructor: Sergey Kondyan
Office: 8114
Office Hours: TR 02:00 p.m. - 04:30 p.m.
Email: sergey.kondyan@nu.edu.kz

Fall 2016

Course Description:

Topics in Macroeconomic Theory is an elective course in macroeconomics. The purpose of the course is to provide deeper coverage of the selected topics in macroeconomics. This semester the course will be devoted to endogenous growth models and their applications. In particular we will focus on one-sector and two-sector endogenous growth models, and R&D based theories of endogenous growth, such as models of variety expansion, quality-ladder, and technological diffusion.

Learning Objectives:

- Developing deep understanding of the properties and basic issues in endogenous growth literature.
- Learning possible applications and extensions of economic growth models
- Developing necessary skills for reading, understanding, and presenting academic literature.

Course Readings:

- Economic Growth by Robert Barro, Xavier Sala-i-Martin, 2nd edition, The MIT Press 2003, ISBN: 13: 978-0262025539
- Advanced Macroeconomics by David Romer, 4th edition, McGraw-Hill 2011, ISBN: 13: 978-0073511375
- In addition several journal articles/working papers will be assigned in the course. You will be responsible for summarizing those papers and presenting them in the classroom.

Attendance

I will follow the attendance policy established by NU. Your attendance will be taken every class time.

Exams

We will have one midterm exam and a final exam. The tentative date for the midterm exam is **October 24**. The final exam is cumulative and is scheduled by the university.

No make-up or early exams will be given. In case of a **valid excuse** the weight of the missed exam will be added to the final exam.

There will be no extra credit opportunities in this course.

In dealing with cases of academic dishonesty or plagiarism I will be referring to the existing regulations and procedures of Nazarbayev University.

Assignments and Grading

The grades for this class will be determined by the following:

Summary and presentation: 30%

Midterm Exam: 30%

A cumulative final: 40%

The following grade scale will be applied:

A 95-100
A- 90-94
B+ 85-89
B 80-84
B- 75-79

C+	70-74
C	65-69
C-	60-64
D+	55-59
D	50-54
F	0-49

Tentative Course Outline:

- Transition from exogenous to endogenous growth models: Basic AK model (Barro and Sala-i-Martin, chapter 1)
- One-Sector Model (Barro and Sala-i-Martin, chapter 4)
- General Two-Sector Model; Uzawa-Lucas Model (Barro and Sala-i-Martin, chapter 5)
- Variety Expansion Model (Barro and Sala-i-Martin, chapter 6)
- Quality-Ladder Model (Barro and Sala-i-Martin, chapter 7)
- Technology Diffusion (Barro and Sala-i-Martin, chapter 8)

Assigned Readings (Tentative)

- Bond, Wang, Yip: JET 1996, pp.149-164 (discussion of the general two-sector endogenous growth model with physical and human capital)
- Yenokyan, Seater, Arabshahi: IER 2014 (application of a two-sector endogenous growth model to trade theory)
- Backus, Kehoe, & Kehoe: JET 1992 (discussion of the evidence on scale effect)
- Coe & Helpman: EER 1995 (discussion of the evidence on technological diffusion)
- Laincz, C.A., and P. Peretto. JEG 2006 (further discussion of the scale effect in endogenous growth theory)