

**Economics 751:01**  
**Macroeconomic Theory II**  
**Spring 2000**

**Monday and Wednesday, 10 am - 12 pm**  
**Carney Hall, Room 002**

**Professor Peter N. Ireland**  
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**Office Hours: Monday and Wednesday, 12-1 pm**

**Course Description**

In this course, we will consider a series of dynamic, stochastic, general equilibrium models of the business cycle. In doing so, our goals will be: (1) To understand the general principles by which these models are formulated and the general techniques by which these models are solved. (2) To evaluate these models according to their ability to account for and explain data from the United States and other economies. (3) To use these models to characterize optimal fiscal and monetary policies.

**Course Materials**

Xerox copies of my lecture notes are now available at the Boston College Bookstore; these notes will serve as the main text for the course. Two books are recommended, but not required:

Cooley, Thomas F., ed. *Frontiers of Business Cycle Research*. Princeton: Princeton University Press, 1995.

Sargent, Thomas J. *Dynamic Macroeconomic Theory*. Cambridge: Harvard University Press, 1987.

**Course Requirements and Grading**

Your grade for this first part of Economics 751 will be based on a final exam, to be held on Wednesday, March 1.

The xerox package of lecture notes also contains a series of problem sets and solutions. These problem sets are designed to help you prepare for the exam and will not be collected or graded.

## Office Hours

I will hold regular office hours on Mondays and Wednesdays from 12 to 1 pm in Carney Hall, Room 143. I will also be available at other times; to make an appointment, you can reach me by phone at 552-3687 or by e-mail at irelandp@bc.edu.

## Course Outline

1. *Asset Prices and Consumption*  
Sargent, Chapter 3
2. *Economic Growth and Business Cycles*  
Cooley, Chapter 1
3. *Employment, Unemployment, and Business Cycles*  
Cooley, Chapter 5
4. *Optimal Fiscal Policy*  
Cooley, Chapter 12
5. *International Business Cycles*  
Cooley, Chapter 11
6. *Money and the Business Cycle I\**  
Cooley, Chapter 7
7. *Money and the Business Cycle II\**

\*Topics 6 and 7 will be covered only if time permits.