Course Description: EC 603 Advanced Macroeconomics I is the first course of the elective graduate-level advanced macroeconomics sequence of the Ph.D. program in Economics at Boğaziçi University. The course aims to achieve two objectives. It intends to familiarize students to selected issues in macroeconomics and introduce students to the models and technical tools to analyze these topics. Both theoretical and computational frontiers in macroeconomics research are priorities of the course. The course is divided into two parts: the first part, taught by Orhan Torul will focus mainly on the macroeconomic methodology part by the use of computational methods, and Malik Çürük will concentrate on the use of a variety of modern macroeconomic topics, as well as on modern economic growth subjects. Below please find the details of the two parts.

PART I

Instructor: Orhan Torul
Time and Location: T 567 13:00-15:50, NBB 10
Telephone: 212-359-6677
Email: orhan.torul@boun.edu.tr
Office Hours: T78 16:00-17:00 or by appointment, NB225A
Course Website: Boğaziçi University Department of Economics → Courses → EC 603.01

PART II

Instructor: Malik Çürük
Time and Location: T 567 13:00-15:50, NBB 10
Telephone: 212-359-7650
Email: malik.curuk@boun.edu.tr
Office Hours: M 78 15:00-16:50 and by appointment, NB208B
Course Website: Boğaziçi University Department of Economics → Courses → EC 603.01
Prerequisites

EC 503 Macroeconomics I and EC 504 Macroeconomics II (master’s level core courses in the macroeconomics sequence) are the official prerequisites of this course.

Course requirements

Class participation

You are expected to attend all lectures and participate in discussions.

Assignments

During the first part of the course, you will hand in 5±1 homework assignments. During the second part of the course, you are required to post three questions for each paper that will be presented that week. A selection will be discussed in class. The questions should be sent to m.curuk@uvt.nl by Monday at the latest.

Paper Presentation

Each student will be assigned two papers from the reading list provided below to present in class. To keep consistency in the main flow among presentations and to ease communication, a latex template and suggestions on the organization of the presentations will be provided.

Quizzes

In the second part, there will be two pop-up quizzes about the subjects covered in class and the papers presented.

Project Paper

A major element of this course is the completion of a project paper. This exercise is intended to get students started thinking about a particular topic and conduct an extensive research on it. The project paper should not be a repository of the literature, it must have an original contribution to the literature. This may sound daunting right now, but it is exactly what you need to get started on something.

In the last lecture of the course (on Dec. 12) you will present your project topic and progress to get feedback from us and your classmates before the final submission (deadline Jan. 5). The paper should be written in a clear form submittable to the Economics Bulletin. Details will on this will be discussed in class.

Grading Policy and Grading Scale

The weights for the overall score will be as follows:
As a reminder, the standard catalog grading protocol accepted at Boğaziçi University is as follows:

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Interpretation</th>
<th>Weight</th>
<th>Grade Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>Excellent</td>
<td>4.0</td>
<td>90%</td>
</tr>
<tr>
<td>BA</td>
<td>Good-Excellent</td>
<td>3.5</td>
<td>85-89%</td>
</tr>
<tr>
<td>BB</td>
<td>Good</td>
<td>3.0</td>
<td>80-84%</td>
</tr>
<tr>
<td>CB</td>
<td>Passing-Good</td>
<td>2.5</td>
<td>75-79%</td>
</tr>
<tr>
<td>CC</td>
<td>Passing</td>
<td>2.0</td>
<td>70-74%</td>
</tr>
<tr>
<td>F</td>
<td>Failed</td>
<td>0.0</td>
<td>0-59%</td>
</tr>
</tbody>
</table>

Communication

E-mail will used as the primary means of communication outside the classroom, and we will be sending e-mails whenever necessary to inform you on updates regarding the course. Please make sure that the e-mail address you have at the Registrar’s Office is up-to-date so that you will not miss any of the announcements.

Accommodations

Students who require special accommodations for exams must get in touch with us within the first two weeks of class.

Academic Integrity

The graduate program of the Department of Economics is conducted within the framework of the Student Discipline Regulations by the Turkish Council of Higher Education (TCHE, Yüksekokşretim Kurulu, YÖK in Turkish), and rules accepted by the Boğaziçi University Committee on Ethical Conduct.

For student discipline regulations by the TCHE (YÖK), see (in Turkish): bit.ly/yokdisiplin
For the ethics code accepted by Boğaziçi University, see: bit.ly/bounethics

EC 103 Orientation to Economics course also discusses basics of integrity. For a brief refresher, see bit.ly/ec103notes

Copyrights

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Tentative Course Schedule

The material that will be covered is summarized below. In the course of progress this schedule may change. We will try to notify you in advance if and when such a change occurs.

Part 1 by Orhan Torul

Course Outline

1. Introduction to Computing
2. Introduction to DYNARE
3. Incomplete Markets with Aggregate Uncertainty
4. Calibration versus Estimation

Reference Textbooks


Introduction to Computing

- Introduction to MATLAB
- Deterministic Steady-State Derivation of Stochastic DSGE Models
– Lecture Notes on DSGE Models
– Chapter 5 in Judd.

• Basics Computational Approximation of Finite Markov Chains and Principles of Local Approximation Techniques
  – Lecture Notes on Autoregressive Processes and Local Approximation Techniques
  – Chapter 3 in A+C, Chapters 1, 2, 5, 6 and 7 in Judd.

• Local Approximation Techniques and Perturbation Methods for the Numerical Analysis

• Introduction to DYNARE

• Introduction to Global Approximation Techniques and Essentials of Value Function Iteration
  – Lecture Notes on Value Function Iteration and Heterogeneous-Agent Models
  – Chapter 2 in A+C, Chapters 12, 13, 16, and 17 in Judd

Incomplete Markets with No Aggregate Uncertainty


Incomplete Markets with Aggregate Uncertainty


Calibration versus Estimation

Part 2 by Malik Çürük

Course Description
In the second half of the course we will get familiarize with the recent advances in macroeconomics. For each lecture, I will start with the main questions and empirical observations relevant for the particular strand of literature to be discussed. Then, I will show the fundamental mechanisms, predictions and puzzles in a canonical model. This introduction will be followed by your presentations and discussion mainly based on the questions you are required to post before the lecture.

Textbook
There is no required textbook of the course. Course readings and lecture notes will be made available online and/or hard-copy.

Reading List
The papers that will be covered and discussed in class are provided below. The list is tentative and subject to changes.

Pre-Modern Era

Endogenous Growth


• Albert Bollard, Peter J Klenow, and Huiyu Li. Entry costs rise with development. 2014

• Daniel Garcia-Macia, Chang-Tai Hsieh, and Peter J Klenow. How destructive is innovation?, 2017


(Mis)Allocation Across Countries, Sectors and Firms


Recessions and Aggregate Demand


- Ricardo J Caballero. A caricature (model) of the world economy. 2010


Recessions and Finance


Miscellaneous


• Jonathan Eaton, Sam Kortum, Brent Neiman, and John Romalis. Trade and the global recession. 2016


References


