

November 13, 2012

**Working schedule for**  
**“Macroeconomics 3 (MakØk3) - Business cycles**  
**and monetary stabilization policies”**  
**Fall 2012 (Blok 2)**

This is a schedule that is only intended to give an overview of where we are supposed to go. The entries may be shuffled around as we go along. Chapters refer to Galí’s (2008) book. The particular exercises are listed on the web under “old news” and/or on lecture slides.

<b>Mondays, 9.15-12, Aud. 10</b> <b>LECTURES</b>	<b>Tuesdays, 13.15-16, Aud. 4</b> <b>(MOSTLY) EXERCISES</b>
November 19 Introductory lecture (Chapter 1)	November 20 <b>Lecture</b> A Classical Monetary Model (Chapter 2)
November 26 The Basic New Keynesian Model (Chapter 3)	November 27 Exercises in class (on Chapter 2)
December 3 Monetary Policy Design (Chapter 4)	December 4 Exercises in class (on Chapter 3)
December 10 Monetary Policy Tradeoffs I (Chapter 5, start)	December 11 Exercises in class (on Chapter 4)
December 17 Monetary Policy Tradeoffs II (Chapter 5, end)	December 18 Exercises in class (on Chapter 5)
January 7 Sticky Wages and Prices (Chapter 6)	January 8 Exercises in class (on Chapter 5-6)
January 14 Applications: Unconventional monetary policy; fiscal policy at the zero lower bound (Auerbach and Obstfeld (2005) and Benigno (2012))	January 15 Exercises and talk about exam

## Literature

Auerbach, A. J. and M. Obstfeld, 2005, The Case for Open-Market Purchases in a Liquidity Trap, *American Economic Review* 95, 110-137.

Benigno, P., 2009, New Keynesian Economics: an AS-AD view, [NBER Working Paper 14824](#). (Revised version from January 2012 is used).

Galí, J., 2008, *Monetary Policy, Inflation and the Business Cycle* (Princeton University Press).