UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Economics & Finance of Global Markets

2324-2-F1601M063

Learning objectives

Enable students to understand fundamental issues on growth and business cycle theory, through the study of macroeconomic models useful also for analysing financial variables and the structure of financial markets.

Contents

1. The first component of the course deals with the main issues about economic growth, analysing in particular the determinants of per capita income growth long-run growth and the differences in terms of income levels among different countries. Topics include the role of technical change, savings rate, population growth.
2. The second component presents real business cycle models, where technology shocks drive economic fluctuations, in the absence of markets imperfections. The empirical evidence will follow the theoretical discussion.
3. The third component incorporates nominal rigidities (wage and price stickiness) into RBC models, the so-called New Neoclassical synthesis. Students will learn the basic tools for model simulation.
4. The forth component extends the models to account for financial variables and frictions.

Detailed program

- Introduction to monetary policy
- Stilized facts on growth
- Solow model and empirical evidence
- Ramsey-Cass_Koopmans model
- Introduction to business cycle
- Real Business Cycle model

- New Keynesian model
- Models with real and nominal rigidities (Christiano Eichenbaum e Evans)
- New Keynesian models applications
- Financial frictions

Prerequisites

Standard under graduate courses in math, statistics, micro- and macro-economics.

For Erasmus students: the skills in macroeconomics, microeconomics, mathematics, and statistics must be consolidated in order to successfully tackle the course. Basic notions of econometrics are also useful.

Teaching methods

- Classroom lectures
- Tutorials on PC with a final project

Assessment methods

- Written exam (3 questions)
- Assignment on DYNARE (in groups)

Students are supposed to gather in groups of 3-4 people to do a simulation exercise on PC, using MATLAB e DYNARE (3 credits).

Textbooks and Reading Materials

- D. Romer, Advanced Macroeconomics, McGraw-Hill
- J. Galí, Monetary Policy, Inflation, and the Business Cycle: An Introduction to the New Keynesian Framework and Its Applications, Princeton University Press
- Papers on scientific journals

Semester

Second semester.

Teaching language

Italian/English.

Sustainable Development Goals