University of California at Irvine  
Department of Economics

Economics 210F:  
Macroeconomic Theory and Evidence III

Spring 2011

Instructor : Professor Min Ouyang  
Office : Social Science Plaza A 3101  
Email : mouyang@uci.edu  
Office Hours : Mondays 3:00 – 5:00 (or by appointment)  
Time and Location of the Lectures : Tuesdays & Thursdays. 9:30 – 10:50, SSPA 3132  
Course Webpage : http://www.socsci.uci.edu/~mouyang/econ210F.htm

COURSE DESCRIPTION

My part of the first-year graduate macroeconomic sequence, a continuation of Econ 210D and Econ 210E, will explore both theory and evidence in macroeconomics. Four major topics will be covered: empirical exploration of the life-cycle hypothesis, empirical exploration of business cycles, theories and evidence on the macro aspects of the labor market, and the link between business cycles and growth.

One of the objectives is to continue the introduction of dynamic programming by emphasizing intuition and application with data. Another objective is to expose you to theoretical and empirical research of macroeconomics, which will hopefully provide a role model for your future research.

There is no required textbook. Most of the articles that we will cover can be found in electronic format (for example: http://www.jstor.org, http://www.nber.org/papers, http://ideas.repec.org). Photocopies of documents that are not available in electronic format will be put on reserve in Vanessa’s office. Please return them immediately after making photocopies. Starred articles (*) are those most likely to be covered in class.

However, the following books (some of which you may have already) are highly recommended. They will serve as useful references in the future.

- David Romer, Advanced Macroeconomics, 3rd edition.
- Olivier J. Blanchard and Stanley Fischer, Lectures on Macroeconomics.
- Davis, S., J. Haltiwanger and S. Schuh, Job Creation and Destruction.
GRADING

Your grade for the course will be based on problem sets (40%) and a final exam (60%).

LECTURE OUTLINE

This course outline and the reading list are subject to revisions. Please check the course webpage regularly.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week #1</td>
<td>Empirical Explorations of Life Cycle Hypothesis: with aggregate data</td>
</tr>
<tr>
<td>Week #2</td>
<td>Empirical Evidence of Life Cycle Hypothesis: with household data.</td>
</tr>
<tr>
<td>Week #3</td>
<td>Empirical Exploration of Business Cycles: pro-cyclical productivity.</td>
</tr>
<tr>
<td>Week #4</td>
<td>Empirical Exploration of Business Cycles: expansionary or contractionary technology?</td>
</tr>
<tr>
<td>Week #5</td>
<td>Labor Market Evidence: unemployment and reallocation</td>
</tr>
<tr>
<td>Week #6</td>
<td>Labor Market Theories: search and matching models</td>
</tr>
<tr>
<td>Week #7</td>
<td>Labor Market Evidence: a revisit</td>
</tr>
<tr>
<td>Week #8</td>
<td>Labor Market Institutions: theories and evidence</td>
</tr>
<tr>
<td>Week #10</td>
<td>Business Cycles and Growth: the creative destruction</td>
</tr>
</tbody>
</table>

READING LIST

READING LIST (subject to revisions)

I. Consumption: Evidence

A. Life-cycle Permanent Income Hypothesis

Romer, Chapter 7.


### B. Alternative Models


### II. Business Cycles: Evidence


III. Labor Market

Romer, Chapter 9.


*Hall, R. “Job Loss, Job Finding, and Unemployment in the U.S. Economy over the Past Fifty Years,” NBER Macro Annual 2005. Comment by Davis; Comment by Kennan.


**IV. Business Cycles and Growth:**

**A. The Long-run Impact of Business Cycles**


**B. Creative Destruction Models**


