

Course Menu

I. Substance (runs parallel to II)

A. Models with price levels

1. *Stickiness, monopolistic competition: the theoretical models*
2. *Empirical evidence*
 - a) ID'd VAR studies
 - b) Keating
3. *The Phillips Curve*
 - a) Recent empirical evaluations
 - b) Its role in public debate
 - c) Recent empirical evidence
 - d) Is there any theory that justifies the attention it gets?
4. *Fiscal theory of the price level*
 - a) Is it testable ?
 - b) Recent attempts at tests
 - c) Application to exchange rates, currency crises, EMU

II. Method

A. Solution methods for systems of functional equations

1. *Galerkin-like methods*
2. *Parameterized expectations*
3. *Approximation: beyond linearization*
 - a) Can we develop local approximations to GE models with multiple assets, in which the linearization is singular?

B. Inference for equilibrium models

1. *The connection of likelihood inference with simulation*
2. *Handling initial conditions*
3. *Evaluating approximate models*