Readings:

I. Real Business Cycle Theory


* Kimball, Miles. 2002. Real Business Cycle Theory: A Semiparametric Approach. Download from the 611 link of my website (it might take a few days to be put up).


II. Sticky Price Models


* Basu, Susanto, John Fernald and Miles Kimball. 2003. “Are Technology Improvements Contractionary?” I will e-mail this to you when the next version is ready.


* Interest and Prices, by Michael Woodford. This is a long and sometimes technical book. I would like you to concentrate on getting an overview by reading the entire book without getting hung up on any one part. Concentrate on the intuitive economic meaning of each passage. This book can serve as an excellent reference for you in the future if you read it carefully to know what material is contained in it. You will see in class the somewhat different angle I take on many of the things covered in this book.

III. Applications


Kimball, M. and Matthew Shapiro, “Labor Supply: Are the Income and Substitution Effects Both Large or Both Small?”


