Econ 506 Macroeconomic Theory II  
Bilkent University  

Syllabus for the first part of class  

Refet S. Gürkaynak  
Seda Köymen  

Gürkaynak: Lecture Hours T10.40-12.10 & Th8.40-10.10 (B111)  
Office MA222, Office Hours T15.40-17.30  

Köymen: Lecture Hour W13.40-14.30 (A229)  
Office MA220, Office Hours TBA  

This course is designed to give you a solid understanding of basic workhorse models of business cycle research and then introduce some more advanced ideas. There will be equal emphasis on modeling techniques and economic intuition. Your course grade will be based on homeworks (25%), a midterm (25%), and a final exam (50%).  


A reading list is provided below. You should do all of the starred readings as early as possible and read all of the papers before the end of the semester.  

The journal abbreviations are:  

AER: American Economic Review  
BPEA: Brookings Papers in Economic Activity  
EMA: Econometrica  
IJCB: International Journal of Central Banking  
JEDC: Journal of Economic Dynamics and Control  
JEP: Journal of Economic Perspectives  
JEL: Journal of Economic Literature  
JET: Journal of Economic Theory  
JIE: Journal of Einternational Economics  
JPE: Journal of Political Economy  
JMCB: Journal of Money, Credit, and Banking  
JME: Journal of Monetary Economics  
QJE: Quarterly Journal of Economics
Book abbreviation:

Gali: Jordi Gali’s manuscript “Monetary Policy, Inflation and the Business Cycle,” forthcoming Princeton University Press. (Chapters available on his web page)

**Basics**


**Real Business Cycle Models**


*Gali chapters 1 and 2.
Price Stickiness and New Keynesian Models


*Gali chapter 3.