MICROECONOMICS

Main Textbooks
1. Andreu Mas-Colell, Michael D. Whinston and Jerry R. Green: Microeconomic Theory There is a solution manual for the exercises in this book, written by Hara, Segal and Tadelis

Textbooks
1. Donald E. Campbell: Resource Allocation Mechanisms
2. W.D.A Bryant: General Equilibrium, Theory and Evidence
3. Arrow, Hahn: General Competitive Analysis
8. Gareth D. Myles: Public Economics

Topics

Producer Theory
Production Sets, production functions, profit maximization
Testable implications of producer theory (WARP)

Consumer theory
Preferences, utility functions, utility maximization.
Testable implications of consumer theory (WARP, GARP, SARP)
Properties of indirect utility functions
Properties of individual excess demand functions (H-W-B-SARP)
Properties of market excess demand functions (H-W-B - but not always SARP or WARP)
Positive and normative representative consumers.

Competitive equilibrium
Definition: computational examples, competitive equilibrium with taxes and lump-sum transfers
Special cases: (1x1x2 economy, 2x2x2 economy, exchange economy, small open economy, economies of Leontief and von Neumann).
Existence: large non-convexities relative to market size, non-interior endowments.
Uniqueness: WARP and constant returns to scale, WARP in an exchange economy, taxes, externalities, economies with an arbitrarily large number of equilibria, economies with Pareto-ranked equilibria.
Stability: WARP in an exchange economy, substitutes and complements, wealth effects, economies with a unique and unstable equilibrium.
Comparative statics: substitutes and complements, wealth effects, the transfer paradox the paradox of productivity, the paradox of piecemeal policy reforms, the paradox of immiserating growth.
Testable implications: level of aggregation, externalities, testability of local stability and uniqueness.
Welfare analysis
Pareto efficient points: definition, examples, two methods of calculation
First and second welfare theorems: conditions for efficient equilibria, interactions between efficiency and distribution
Distortions (third welfare theorem): efficiency when different agents face different relative prices
Compensatory distortions (second-best theorem)
The national income test: national income as an index of welfare, with and without distortions.

MACROECONOMICS

Basic Textbook

Other Relevant Textbooks

Topics

The Intertemporal Approach

Savings, Investment and Economic Growth: The Solow Model.

The Representative Household Model.

Models of Overlapping Generations.

Fiscal Policy and Economic Growth.

Money, Inflation and Economic Growth
Externalities, Human Capital and Endogenous Growth.

Dynamic Stochastic Models under Rational Expectations

The New Classical Theory of Aggregate Fluctuations

The Keynesian Approach and the Inflation-Unemployment Tradeoff
The original Keynesian models. The Samuelson multiplier-accelerator model. The theory of discretionary monetary and fiscal policy. The Phillips Curve and inflationary expectations. The natural rate of unemployment and aggregate demand policies.

A New Keynesian Model with Periodic Wage Setting

Equilibrium Unemployment and Matching in the Labor Market
The matching function. Flows into and out of employment, equilibrium unemployment and the Beveridge curve. Firms and the creation of vacancies. The behavior of unemployed job seekers. Wage determination and equilibrium unemployment. Dynamic adjustment to the steady state. Matching models and nominal rigidities.

ECONOMETRICS

Main Textbook

Textbooks
1. F. Hayashi (2000): Econometrics, Princeton UP - ch1 can be freely downloaded.

Topics
1. Classical Linear Regression (CLR) model: definition-assumptions, OLS algebra, finite sample properties, hypothesis testing under normality.
   Readings: Greene (ch 2-5), Hayashi (ch 1).
2. Large sample properties of the OLS, hypothesis testing without the normality assumption.
   Readings: Greene (ch 4.4), Hayashi (ch 2).
   Readings: Greene (ch 14), Hayashi (ch 1).
   Readings: Greene (ch 9, 20), Hayashi (ch 1, 2).
5. Instrumental Variables (IV) and Generalized Method of Moments (GMM) estimation and testing
   Readings: Greene (ch 13), Hayashi (ch 3).