1 Summary of the course

The course will endow the students with the standard solution methods for dynamic economic models under uncertainty. The main focus will be on applications and emphasizes the aggregate implications of models of micro-economic behavior.

2 Syllabus

1. Review of the Solow model
2. The basic optimal growth model and Intro to recursive methods
3. Markov Chains and Stochastic Dynamic Programming
4. Intro to Numerical Methods
5. Consumption, review of the LC-PIH, precautionary saving models, hyperbolic discounting
6. Consumption, intertemporal non-separabilities, complementarity and substitutability
7. Consumption, durability and non convexities
8. Consumption, asset pricing and consumption based asset pricing
9. Consumption, full-insurance

3 Reading list


*Università “Ca’ Foscari” di Venezia and CSEF
4 Exam

Students will be evaluated on a written exam.