Consumption and Investment

Robert Waldmann
textbook
Advanced Macroeconomics by David Romer (1996)
(McGraw-Hill : New York, Lisbon, London, Madrid, Milan
etc.)

Topic 1) Stochastic implications of the Permanent
Income Hypothesis.

Chapter 7 pp. 310-328

Topic 2)   The overlapping generations model with money

Chapter 2 pp. 72-88

Topic 3) Fixed Capital Investment

Chapter 8 pp. 345-364

Topic 4) Inventory investment

Blinder, A "Inventories and the Structure of Macro
Models," American Economic Review vol 71 pp 11-16 (May
1981).

Topic 5) Credit Rationing

Chapter 8 pp. 369-384.

Other Possible Reading (not required)

Topic 1

Modigliani, F. (1986) "Life Cycle, Individual Thrift, and the Wealth of Nations."
American Economic Review Papers and Proceedings. vol 76 pp 297-313.

Hall, R. (1978) "Stochastic Implications of the Life Cycle, Permanent Income
Hypothesis.", Journal of Political Economy. vol 86 pp 971-987.

Campbell, J.; and Mankiw, N. G. "Permanent Income, Current Income and Consumption."
Journal of Business and Economic Statistics vol 8 pp 265-279.

Blanchard, O.; and Fischer, S. Lectures on Macroeconomics chapter 2 pp 37-45, chapter
6 pp 275-279.

Topic 2 The Overlapping Generations Model.

Blanchard, O.; and Fischer, S. Lectures on Macroeconomics chapter 3 pp. 91-115.

Samuelson, P " An Exact Consumption-Loan Model of Interest With or Without the Social Contrivance of Money."(1958) Journal of Political Economy vol 46 pp 467-82.

Cass, D.; and Yaari, M. "A Re-Examination of the Pure Consumption Loans Model." Journal of Political Economy. vol 64 pp 353-67.

Topic 3 Rixed Capital Investment

Blanchard, O.; and Fischer, S. Lectures on Macroeconomics
chapter 2 pp 45-72 chapter 6 pp 291-301.

Hayashi, F. "Tobin's Marginal Q and Average Q a Neoclassical Interpretation."
Econometrica vol 50 pp 213-224 (January 1982).

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