Instructor: Jang-Ting Guo  
Lectures: MW 1:10 – 2:30 p.m., Sproul Hall 4128  
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Grading:  
- Class and Theory Seminar Participation: 10%  
- Computer Assignments: 20%  
- Class Presentation: 30%  
- Term Paper: 40%

Deadline for a one-page proposal and references: November 3  
Date for presentation: December 9  
Deadline for the term paper: noon on December 11

Course Outline  
A star (*) next to the reference item indicates that it is available from the Electronic Library Reserve.

0. Two Background Readings


I. Basic Real Business Cycle Models

II. The Economics of Indeterminacy in Real Business Cycle Models


1. One-Sector Real Models


2. Two-Sector Real Models


3. Demand-Driven Business Cycles


4. Expectations-Driven Business Cycles


5. Stabilization Policy


6. International Business Cycles


7. Economic Growth


8. Monetary Economics


9. **Currency Crisis**


III. **Fiscal Policy and Macroeconomy**

1. The Neoclassical Approach to Fiscal Policy


2. Optimal Capital Taxation

