ECO. 7008: MACROECONOMIC THEORY II

The objective of the course is to give an intuitive understanding of macrodynamic analysis by studying a broad range of heterodox (and some orthodox) theories of growth and business cycles. The course begins with a comparative analysis of Keynes’ formulation of the theory of effective demand in his *Treatise on Money* and *The General Theory*. This is followed by an overview of the business cycle theories, and the early growth theory, which are both inspired by the theory of effective demand. In the latter part of the course, the recent heterodox approaches to growth theory are examined along with a review of the mainstream ‘new’ growth theory.

Assigned articles will be made available by the instructor for copying. Readings indicated with an asterisk are recommended, and all others are required.

**COURSE OUTLINE**

1. **Historical & Methodological Introduction**


2. **Keynes and the Theory of Effective Demand**

   i. *A Treatise On Money*


   ii. *General Theory*


iii. **Classicals and the Theory of Effective Demand**


3. **Business Cycle Theory**


4. **Early Growth Theory**

i. **Harrodian Instability**


5. Heterodox Approaches to Growth Theory

i. Stagnationist, Neo-Keynesian and Marxian


ii. Neo-Schumpeterian and Neo-Marxian


6. ‘New’ Growth Theory


