

## Reading list 2009–10

### 65 Macroeconomics

The current edition of the subject guide is the 2009 edition. This reading list was last updated in May 2009. Any queries about this reading list should be directed to [externalstudy@lse.ac.uk](mailto:externalstudy@lse.ac.uk).

#### Essential reading

You should use at least one of the following textbooks:

- Blanchard, O. *Macroeconomics*. (Prentice Hall, 2009) fifth edition [ISBN 9780132079631] ([www.prenhall.com/blanchard](http://www.prenhall.com/blanchard)).
- Dornbusch, R., S. Fischer and R. Startz *Macroeconomics*. (McGraw-Hill, 2008) tenth edition [ISBN 9780071259248] ([http://highered.mcgraw-hill.com/sites/0073128112/information\\_center\\_view0/](http://highered.mcgraw-hill.com/sites/0073128112/information_center_view0/)).
- Mankiw, N.G. *Macroeconomics*. (Worth, 2007) sixth edition [ISBN 9780716762133].

#### Further reading

Additional references that you might want to use to complement your textbook are:

- Blanchard, O. and D. Findlay *Study guide [to accompany] Macroeconomics*. (Prentice Hall, 2008) fifth edition [ISBN 9780132078337]. Student guide and tutorial for use with Blanchard's *Macroeconomics*.
- Dornbusch, R., S. Fisher and R. Startz *Macroeconomics – study guide*. (McGraw-Hill, 2004) ninth edition [ISBN 9780072981827]. Student guide for use with Dornbusch–Fischer–Startz *Macroeconomics*.
- Estrin, S. and A. Marin. *Essential readings in economics*. (MacMillan Press, 1995) first edition [ISBN 9780312125110].
- Mankiw, N.G. *Macroeconomics – study guide*. (Worth, 2007) sixth edition [ISBN 9780716773399]. Student guide and workbook for use with Mankiw's *Macroeconomics*.
- Pentecost, E. *Macroeconomics: an open economy approach*. (Palgrave Macmillan, 2000) first edition [ISBN 9780312233686].

For ease of reference, the following is a full list of all further reading in the guide:

- Alesina, Alberto 'The political economy of the budget surplus in the United States', *Journal of Economic Perspectives* 14(3) 2000, pp.3–19.
- Ball, Laurence and N.G. Mankiw 'The NAIRU in Theory and Practice', *Journal of Economic Perspectives* 16(4) 2002, pp.115–36.
- Barro, Robert 'Are government bonds net wealth?', *Journal of Political Economy* 82(6) 1974, pp.1095–1117.
- Barsky, Robert B. and L. Kilian 'Oil and the macroeconomy since the 1970s,' *Journal of Economic Perspectives* 18(4) 2004, pp.115–34.
- Baumol, William J. 'Productivity growth, convergence, and welfare: What the long-run data show', *American Economic Review* 76(5) 1986, pp.1072–85.
- Baumol, William 'The transactions demand for cash: An inventory theoretic approach', *Quarterly Journal of Economics* 66, 1952, pp.545–56.
- Bernanke, Ben S. and Frederic S. Mishkin 'Inflation targeting: A new framework for monetary policy?', *Journal of Economic Perspectives* 11(2) 1997, pp.97–116.
- Besley, Timothy, and R. Burgess 'Halving global poverty', *Journal of Economic Perspectives* 17(3) 2003, pp.3–22.

- Blanchard, O. 'European unemployment: the evolution of facts and ideas', NBER working paper, No. 11750, 2005.
- Bosworth, Barry, and S. M. Collins 'Accounting for growth: comparing China and India', *Journal of Economic Perspectives* 22(1) 2008, pp.45–66.
- Calvo, Guillermo A., and F. S. Mishkin. 'The mirage of exchange rate regimes for emerging market countries', *Journal of Economic Perspectives* 17(4) 2003, pp.99–118.
- Chari, V.V. and Patrick J. Kehoe 'Modern macroeconomics in practice: How theory is shaping policy', *Journal of Economic Perspectives* 20(4) 2006, pp.3–28.
- Crowe, Christopher and Ellen E. Meade 'The evolution of central bank governance around the world', *Journal of Economic Perspectives* 21(4) 2007, pp.69–90.
- Davis, Steven J., R.J. Faberman and J. Haltiwanger 'The flow approach to labor markets: New Data Sources and Micro-Macro Links', *Journal of Economic Perspectives* 20(3) 2006, pp.3–26.
- Easterlin, Richard A. 'The worldwide standard of living since 1800' *Journal of Economic Perspectives* 14(1) 2000, pp.7–26.
- Fischer, Stanley, R. Sahay and C.A. Végh 'Modern hyper- and high inflations', *Journal of Economic Literature* 40(3) 2002, pp.837–80.
- Friedman, Milton 'The role of monetary policy', *American Economic Review* 58(1) 1968 pp.1–17.
- Friedman, Milton *A theory of the consumption function*. (Princeton, NJ: Princeton University Press, 1957).
- Hall, Robert, E. 'Stochastic implications of the life cycle-permanent income hypothesis: theory and evidence', *Journal of Political Economy* 86(3) 1978, pp.971–87.
- Hall, Robert, E. and Dale W. Jorgenson 'Tax policy and investment behaviour', *American Economic Review* 57(3) 1967, pp.391–414.
- Hoshi, Takeo and A. K. Kashyap 'Japan's financial crisis and economic stagnation', *Journal of Economic Perspectives* 18(1) 2004, pp.3–26.
- Hutchison, Michael 'Japan's Recession: Is the liquidity trap back?' *Federal Reserve Bank of San Francisco. FRBSF Economic Letter / Pacific Basin Notes*. 2000-19. June 16, 2000 (available at [www.frbsf.org/econsrch/wklyltr/2000/el2000-19.html](http://www.frbsf.org/econsrch/wklyltr/2000/el2000-19.html)).
- Jones, Charles I. 'On the evolution of the world income distribution', *Journal of Economic Perspectives* 11(3) 1997, pp.19–36.
- Jones, Charles I. *Introduction to economic growth*. (Norton, 2002) second edition [ISBN 9780393977455].
- Keynes, John M. *The general theory of employment, interest and money*. (London, 1936) Chapter 12 'The state of long term expectations'.
- Krugman, P. and M. Obstfeld *International economics: theory and policy* (Addison, 2006) seventh edition [ISBN 9780321311542] Chapter 13.
- Lucas, Robert 'Understanding Business Cycles' in K. Brunner and A. Meltzer (eds) *Stabilization of the domestic international economy*, Vol. 5, pp.7–29. Also in Estrin, S. and A. Marin *Essential Reading in Economics*. (MacMillan Press, 1995) first edition [ISBN 9780312125110] Chapter 16.
- Ludvigson, Sydney C. 'Consumer confidence and consumer spending', *Journal of Economic Perspectives* 18(2) 2004, pp.29–50.
- Mann, Catherine L. 'Perspectives on the U.S. Current Account Deficit and Sustainability', *Journal of Economic Perspectives* 16(3) 2002, pp.131–52.
- Modigliani, Franco 'Life cycle, individual thrift, and the wealth of nations', *American Economic Review* 76(3) 1968, pp.297–313.
- Modigliani, Franco 'The monetarist controversy, or, should we forsake stabilisation policies?' *American Economic Review* 67(2) 1977, pp.1–19.
- Pentecost E. *Macroeconomics: an open economy approach*. (Palgrave Macmillan, 2000) first edition [ISBN 9780312233686].
- Romer, David 'Keynesian macroeconomics without the LM Curve', *Journal of Economic Perspectives* 14(2) 2000, pp.149–69.
- Romer, Paul M. 'The origins of endogenous growth', *Journal of Economic Perspectives* 8(1) 1994, pp.3–22.
- Sargent, Thomas J. and N. Wallace 'Rational expectations and the theory of economic policy', *Journal of Monetary Economics* 2(2) 1976, pp.169–83.
- Södersten, Bo, and G. Reed *International economics*. (The MacMillan Press Ltd, 1994) Third edition. Chapters 28.3 and 29.6.
- Svensson, Lars E. O. 'Escaping from a liquidity trap and deflation: The foolproof way and others', *Journal of Economic Perspectives* 17(4) 2003, pp.144–66.

Taylor, Alan M. and M.P. Taylor. 'The purchasing power parity debate', *Journal of Economic Perspectives* 18(4) 2004, pp.135–58.

Taylor, John B. 'Reassessing discretionary fiscal policy', *Journal of Economic Perspectives* 14(3) 2000, pp.21–36.

Tobin, James 'Inflation and unemployment', *American Economic Review* 62(1) 1972, pp.1–18.

Tobin, James 'Liquidity preference as behavior towards risk', *Review of Economic Studies* 25, February 1958, pp.65–86.

Zarnowitz, Victor 'Theory and history behind business cycles: Are the 1990s the onset of a golden age?' *Journal of Economic Perspectives* 13(2) 1999, pp.69–90.

## Additional resources

Your preparation would benefit, substantially, if you get into the habit of browsing through daily newspapers and weekly magazines such as:

Wall Street Journal (<http://online.wsj.com>)

Financial Times ([www.ft.com](http://www.ft.com))

The Economist ([www.economist.com](http://www.economist.com))

As a student of macroeconomics, you may find interesting and accessible economic articles in:

Journal of Economic Literature (JEL)

Journal of Economic Perspectives (JEP).

## Making use of the Online library

- To help you read extensively, all External students have free access to the University of London Online library where you will find the full text or an abstract for many of the journal articles listed for this unit.
- The Online library is accessed via the Student Portal at <http://my.londonexternal.ac.uk/>
- For most journals, the username and password you need is the same as the one which you have been sent to use for logging in to the Student Portal.