Outline: Real Business Cycle models


1. Introduction
   (a) What is an economic model and why it is useful.
   (b) A brief overview of the history and controversies of macroeconomics.
   (c) Stylized business cycle facts

2. The structure of the neoclassical model
   (a) RBC methodology: at the heart of dynamic stochastic general equilibrium macro models (DSGE)
   (b) Basic optimality conditions as tradeoffs
   (c) Calibration
   (d) Solow residual

3. Dynamics
   (a) Transitional dynamics
   (b) Perturbation
   (c) General intuition: wealth and substitution effects