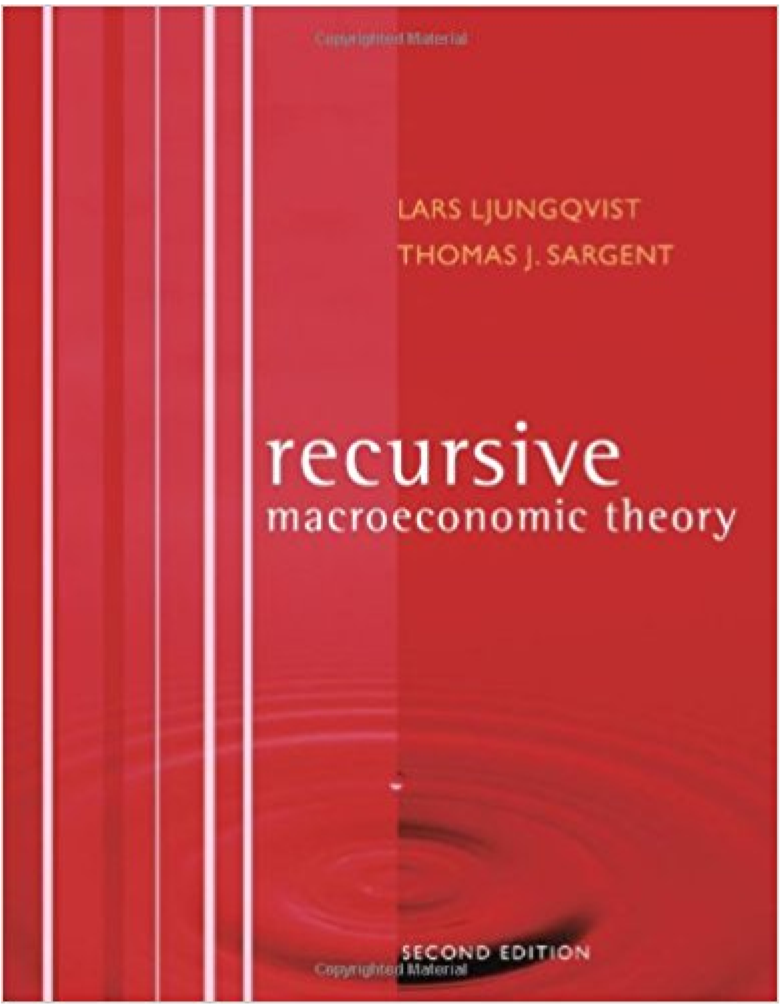
Recursive Macroeconomic Theory



Synopsis

Recursive methods offer a powerful approach for characterizing and solving complicated problems in dynamic macroeconomics. Recursive Macroeconomic Theory provides both an introduction to recursive methods and advanced material, mixing tools and sample applications. The second edition contains substantial revisions to about half the original material, and extensive additional coverage appears in seven chapters new to this edition. The updated and added material covers exciting new topics that further illustrate the power and pervasiveness of recursive methods.Significant improvements to original chapters include a better treatment of the existence of recursive equilibria, an enhanced account of the supermartingale convergence theorem, and an extended treatment of an optimal taxation problem in an economy in which there are incomplete markets. Completely new coverage in the second edition includes an introductory chapter, which gives an overview of the themes uniting the diverse topics treated throughout the book. Two new chapters offer a self-contained account of the optimal growth model and some of its basic applications in macroeconomics and public finance. Other new chapters cover such topics as how to formulate and compute Stackelberg or Ramsey plans in linear economies, sustainable risk-sharing equilibria without commitment, and the application of recursive contracts to topics in international trade. Most chapters conclude with exercises and the book includes two technical appendixes covering functional analysis and control and filtering.

Book Information

Hardcover: 1120 pages

Publisher: The MIT Press; 2nd edition (September 3, 2004)

Language: English

ISBN-10: 026212274X

ISBN-13: 978-0262122740

Product Dimensions: 7 x 2 x 9 inches

Shipping Weight: 3.8 pounds

Average Customer Review: 4.3 out of 5 stars 13 customer reviews

Best Sellers Rank: #323,380 in Books (See Top 100 in Books) #148 inÂ Books > Textbooks > Business & Finance > Economics > Economic Theory #248 inÂ Books > Textbooks > Business & Finance > Economics > Macroeconomics #281 inÂ Books > Textbooks > Business & Finance > Economics > Microeconomics

Customer Reviews

"This revised edition is an excellent resource, both for those interested in state-of-the-art research in macroeconomics and for those anxious to learn the tools that are used to do it."--Wouter J. Denhaan, Professor of Economics, London Business School" Recursive Macroeconomic Theory thoroughly works through a wide variety of applications of recursive methods to the analysis of central themes in macroeconomics. As Alexander the Great is said to have always kept a copy of the Iliad under his pillow, I think the modern macroeconomist would do well to keep a copy of this excellent work close at hand." Fernando Alvarez, Professor of Economics, University of Chicago"*Recursive Macroeconomic Theory* thoroughly works through a wide variety of applications of recursive methods to the analysis of central themes in macroeconomics. As Alexander the Great is said to have always kept a copy of the Iliad under his pillow, I think the modern macroeconomist would do well to keep a copy of this excellent work close at hand."--Fernando Alvarez, Professor of Economics, University of Chicago

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It was a great introduction to optimal contract theory and heterogeneous agent models for me.Now use it to teach a grad macro class.Generally:a) it is comprehensive,b) it is concise where it needs to be concise and goes into details where details are needed,c) it is the fastest way to get introduced to dynamic economics.

In fact, I find this book too difficult for me. I am interested in economics from various perspectives, I will keep on trying to understand the details of the book.

It was a really useful introduction to this subject. I learned a lot of this subject by reading and working through it.

It is listed and priced as "used". But when I got it, it turned out to be almost brand new! Definitely recommend it!

The first time i read the book, i'm sure this should not be the first text book for Dynamic Macroeconomics everyone should read. It's better to read somewhere else as an introduction to the idea of dynamic macroeconomics. Romer 'Advanced Macroeconomics' and Stokey, Lucas, Prescott 'Recursive Methods' are more appropriate to start. After gainning some similarity with Dynamic Methods, it would be much better to study models about macroeconomics presented in the book.This book is the presentations of various models using Dynamic / Recursive Macroeconomics. It makes them easier and time-saving to study many kinds of model in a semester. It's GOOD & HELPFUL IN THIS SENSE. However, it might not be a good book for study in depth. You are better to study from the original papers for the same topics.I think, this book is similar to Tirole 'Theory of Industrial Organization' in spirit, but different in content. They both show the simplified version of various models in the fields.If you think you like this style, you would like to have it. But if you don't, it might be better just to skim (from the library) and read the original papers.Hope this comment would be helpful for you to make a decision :)

I ordered this bookÂ Recursive Macroeconomic TheoryÂ online, chose one day shipping and got it in one day as promised. The book reached in perfect condition. In fact, I ordered it online to save money as I found $80 charged at Uconn Coop Bookstore expensive. However, after I ordered it and clicked one day shipping the price was just a few cents below $80. I think .com should be clear about the price it mentions on its website. It should not give customers wrong perceptions about the actual price it charges. Customers have the right to see the price including shipping right before they make the payment. This is the reason I give it a four star. Otherwise, I think the product deserved a five star. I am really disappointed about a seller associated with .com. That seller has not yet delivered the product as promised and gives no track of shipping details of the product although it is one week since I ordered it.

This text is perhaps the most accessible introduction to modern macroeconomics available. What I feel to be the greatest contributions of the text are the problems-- in each chapter, they start from the basics and build upon one another until you are formulating elaborate models that are the basis for much of the current discourse in the literature. The approaches used are so powerful and the questions tackled so varied that you cannot help believing that the recursive method is the future, not only for traditional issues in macroeconomics, but throughout the discipline. Hey, the book stands out so much, I decided to write a review!

The book is certainly written by distinguished people, but it seems to me that their focus in writting this book was more to exhibit mathematical methods to solve problems rather than discuss the problems themselves. Apparently the book is meant for training mathematical skills in dynamic programming, and prepare you for computer simulations of macroeconomic problems. But don’t use it for understanding macroeconomics.In general, the authors get into mathematical discussions that divert attention from the problem itself, and at the same time they don’t explain why they are doing all these. Reading the book needs a lot of background knowledge and self-intuition. Apart from that some chapters are educational and fit for class work.The first chapters cover mathematical basics about random process and Markov chains and estimation. They are the good chapters. The chapters on partial equilibrium, complete markets ad incomplete markets are also the ones that are noramlly used in class lectures. The book’s coverage of consumption theory and economic growth is weak and insufficient. I would recommend Romer or Blanchard&Fisher book for that. The chapter on search and job matching is also simplistic and again not enough. In most of the chapters, technicality dominates concepts, so having a complementary textbook can be great help.For one thing, the book has a lot of misprints and mistakes too, which seem to be fixed in the newer edition.

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