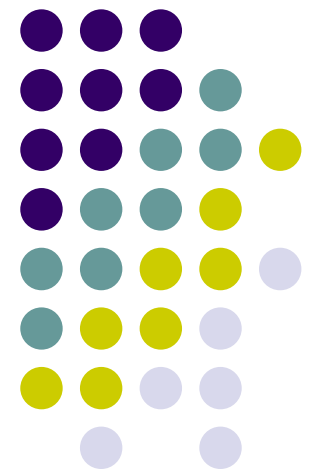


Practical DSGE Modelling

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Overview

This is an introductory course for individuals with little or no previous knowledge of the practicalities involved in dynamic stochastic general equilibrium modelling. The intention of the course is not to train participants to become specialist model-builders but instead for them to be fully conversant in the main techniques involved in building and using dynamics models in their work. The aim is to make participants ‘sophisticated consumers’ of dynamic models and to provide a deeper framework and knowledge within which to frame their discussions. Although no prior knowledge is assumed it is a fast paced course and additional reading is provided to help participants to consolidate material.

Course objectives

By the end of the course participants should:

- Understand the economic foundations of dynamic models and how they relate to current policy issues
- Be able to write dynamic models in a general form suitable for solution and simulation by computer
- Implement basic solution and simulation techniques to analyse dynamic models, showing how the model economies behave and how they respond to different shocks
- Be aware of how to extend simple models to answer more complex questions associated with monetary policy
- Feel confident in discussing model-based analysis, evaluating the strength of models used and engaging in conversation with people building economic models

Organisation

The course runs over a series of five mornings. Each session will be a mixture of small-group teaching and practical exercises using MATLAB software to solve and simulate dynamic models. Afternoons are therefore free, allowing participants time to reflect and consolidate the morning work before the next session. The instructors will be available throughout each afternoon to answer any questions or queries that arise.

Pre-readings

Some pre-course readings will be assigned for those participants who wish to prepare in advance. The issues involved in the pre-reading will be dealt with in the course so there is no need to understand everything. The pre-reading is as much about getting participants to gauge what they do and don’t understand as it is to get ideas and issues across.

