Modern Macroeconomics, by Max Gillman, takes a new and modern approach to macroeconomic theory using microeconomic foundations. Building from the standard neo-classical models, Gillman has developed a new dynamic model which works to explain business cycles and unemployment, why you can have a banking lead recession as well as fiscal and monetary policy. Although strong in mathematical rigour all calculations in this text are fully derived and graphs provide a direct representation making it accessible. This text is suitable for undergraduate students studying Advanced Macroeconomics courses.

5 Modern Macroeconomics, 6 International adjustments: Policy implications. References: Glossary. Advanced Macroeconomics, Sanjay Rode. Advanced Macroeconomics. 5.7 The search and matching model 5.8 Implicit contracts 5.9 The insider–outsider model 5.10 The real business cycle theory. 6 International adjustments: Policy implications. Both Ando-Modigliani and Friedman began their analysis of the consumption function with the general form of the function given in equation (2.8). 2.2 The Ando-Modigliani Approach: The life cycle hypothesis. According to this hypothesis, the typical individual has an income stream which is relatively low at the beginning and at the end of his life when his productivity is low and high during the middle years of his life.