2015-2016 - Econ590 - Topics in Macroeconomics - Beaudry & Portier - Assignment 6

Structural VARs

- The objective is to derive the effect of a TFP shock on the macroeconomy
- Get J-multi (free program for doing long-run and short run structural vars. (you can use something else if you prefer)
- Using data on Y/h and h (hours worked), and TFP (from John Fernald's site), use long run and short run restrictions to identify effects of TFP shocks.
- A useful reference is Jordi Gali's 1999 "Technology, Employment, and the Business Cycle : Do Technology Shocks Explain Aggregate Fluctuations ?", American Economic Review, 89(1) : 249-271.