

ECON 281 SYLLABUS - PART 2

Instructor: Johannes Wieland

1 Requirements

See Ross Starr's syllabus. I expect you to have read the starred papers on the reading list before class.

2 Class presentations

Everyone attending class must present a non-starred paper from this syllabus or from Ross's syllabus. This includes those auditing the class unless there are no more slots left. Papers must be picked by the end of week 6.

3 Preliminary outline

1. Lecture 1 (11/2/2015): Introduction. Firm credit frictions — amplification and propagation.

* Ben S Bernanke and Mark Gertler. Agency costs, net worth, and business fluctuations. *American Economic Review*, 79(1):14–31, 1989

* Charles T Carlstrom and Timothy S Fuerst. Agency costs, net worth, and business fluctuations: A computable general equilibrium analysis. *The American Economic Review*, pages 893–910, 1997

2. Lecture 2 (11/4/2015): Firm credit frictions — dynamic amplification and empirical evidence.

* Ben S Bernanke, Mark Gertler, and Simon Gilchrist. The financial accelerator in a quantitative business cycle framework. *Handbook of macroeconomics*, 1:1341–1393, 1999

* Ben S Bernanke. Nonmonetary effects of the financial crisis in the propagation of the great depression. *The American Economic Review*, 73(3):257–276, 1983

* Mark Gertler and Simon Gilchrist. Monetary policy, business cycles, and the behavior of small manufacturing firms. *The Quarterly Journal of Economics*, pages 309–340, 1994

Markus K Brunnermeier and Yuliy Sannikov. A macroeconomic model with a financial sector. *The American Economic Review*, 104(2):379–421, 2014

Markus K Brunnermeier, Thomas M Eisenbach, and Yuliy Sannikov. Macroeconomics with financial frictions: A survey. Technical report, National Bureau of Economic Research, 2012

Lawrence J Christiano, Roberto Motto, and Massimo Rostagno. Financial factors in economic fluctuations. 2010

Nobuhiro Kiyotaki and John Moore. Credit cycles. *The Journal of Political Economy*, 105(2):211–248, 1997

Guido Lorenzoni. Inefficient credit booms. *The Review of Economic Studies*, 75(3):809–833, 2008

3. Lecture 3 (11/9/2015, 11/16/2015): Household credit frictions — borrowing constraints.

* S Rao Aiyagari. Uninsured idiosyncratic risk and aggregate saving. *The Quarterly Journal of Economics*, pages 659–684, 1994

Veronica Guerrieri and Guido Lorenzoni. Credit crises, precautionary savings, and the liquidity trap. Technical report, National Bureau of Economic Research, 2011

Matteo Iacoviello. House prices, borrowing constraints, and monetary policy in the business cycle. *American economic review*, pages 739–764, 2005

Per Krusell and Anthony A Smith, Jr. Income and wealth heterogeneity in the macroeconomy. *Journal of Political Economy*, 106(5):867–896, 1998

Alisdair McKay and Ricardo Reis. The role of automatic stabilizers in the us business cycle. Technical report, National Bureau of Economic Research, 2013

4. Lecture 4 (11/9/2015, 11/16/2015): Household credit frictions — forward guidance.

* Marco Del Negro, Marc P Giannoni, and Christina Patterson. The forward guidance puzzle. *FRB of New York Staff Report*, (574), 2012

* Iván Werning. Incomplete markets and aggregate demand. Technical report, National Bureau of Economic Research, 2015

Alisdair McKay, Emi Nakamura, and Jón Steinsson. The power of forward guidance revisited. Technical report, National Bureau of Economic Research, 2015

5. Lecture 5 (11/18/2015): Household credit frictions — debt-deleveraging.

* Gauti B Eggertsson and Paul Krugman. Debt, deleveraging, and the liquidity trap: A fisherminsky-koo approach*. *The Quarterly Journal of Economics*, page qjs023, 2012

* Marco Di Maggio, Amir Kermani, and Rodney Ramcharan. Monetary policy pass-through: Household consumption and voluntary deleveraging. *Columbia Business School Research Paper*, (14-24), 2014

Vasco Curdia and Michael Woodford. Credit spreads and monetary policy. *Journal of Money, Credit and Banking*, 42(s1):3–35, 2010

Atif Mian, Kamalesh Rao, and Amir Sufi. Household balance sheets, consumption, and the economic slump. *The Quarterly Journal of Economics*, 128(4):1687–1726, 2013

6. Lecture 6 (11/23/2015): Bank credit frictions — theory.

* Douglas W Diamond and Philip H Dybvig. Bank runs, deposit insurance, and liquidity. *The journal of political economy*, pages 401–419, 1983

* Mark Gertler, Nobuhiro Kiyotaki, et al. Financial intermediation and credit policy in business cycle analysis. *Handbook of monetary economics*, 3(3):547–599, 2010

Javier Bianchi and Saki Bigio. Banks, liquidity management and monetary policy. Technical report, National Bureau of Economic Research, 2014

Saki Bigio. Financial risk capacity. Technical report, 2014

Mark Gertler and Peter Karadi. A model of unconventional monetary policy. *Journal of monetary Economics*, 58(1):17–34, 2011

7. Lecture 7 (11/25/2015): Bank credit frictions — empirical evidence.

* Gabriel Chodorow-Reich. The employment effects of credit market disruptions: Firm-level evidence from the 2008–9 financial crisis. *The Quarterly Journal of Economics*, 129(1):1–59, 2014

* Anil K Kashyap and Jeremy C Stein. What do a million observations on banks say about the transmission of monetary policy? *American Economic Review*, pages 407–428, 2000

Murillo Campello. Internal capital markets in financial conglomerates: Evidence from small bank responses to monetary policy. *The Journal of Finance*, 57(6):2773–2805, 2002

Anil K Kashyap and Jeremy C Stein. The impact of monetary policy on bank balance sheets. In *Carnegie-Rochester Conference Series on Public Policy*, volume 42, pages 151–195. Elsevier, 1995

Asim Ijaz Khwaja and Atif Mian. Tracing the impact of bank liquidity shocks: Evidence from an emerging market. *The American Economic Review*, pages 1413–1442, 2008

Augustin Landier, David Sraer, and David Thesmar. Banks' exposure to interest rate risk and the transmission of monetary policy. Technical report, National Bureau of Economic Research, 2013

Joe Peek and Eric S Rosengren. Collateral damage: Effects of the japanese bank crisis on real activity in the united states. *American Economic Review*, pages 30–45, 2000

Johannes F Wieland and Mu-Jeung Yang. Financial dampening. 2015

8. Lecture 8 & 9 (11/30/2015, 12/2/2015): Class presentations