Economics 281: Very Rough Draft Syllabus, Weeks 1 to 5

Not for citation. Very preliminary. Some entries need updating and the syllabus needs further co-ordination with co-operating faculty.

Requirements: (1) A term paper including original research. The topic should be related to an issue treated in the course, and be approved by one of the instructing faculty.
AND
(2) Class presentation (typically of an item from the syllabus), choice to be approved by one of the instructing faculty.

Lecture dates are approximate. Please read the assigned material prior to the scheduled lecture.

The notation “MME” refers to “Models of Monetary Economies” on the web from the Federal Reserve Bank of Minneapolis.

I. A world without money, the Arrow-Debreu model (Sept. 28)
II. Money and the Theory of Value (Sept. 30)


III. An elementary trading post model (Oct. 5)


IV. A Monetary Trading Post Economy with Scale Economies (Oct. 7, 12, 14)


V. Temporary equilibrium of a Monetary Economy (Oct. 19)


VI. General Equilibrium with Transaction Costs (Oct. 21)


VII. Efficiency of the Monetary Mechanism (October 26, 28)


Kyungmin Kim, Two notes on Ostroy & Starr’s “Money and the Decentralization of Exchange” unpublished, on the website.


**VIII. Money as Budget Record** (overflow)


**IX. Overlapping Generations. Search/Random Matching, Turnpike Model**

Cass, Okuno & Zilcha, “The Role of Money in Supporting the Pareto Optimality of Competitive Equilibrium in Consumption Loan Type Models” MME

Wallace, N. “The Overlapping Generations Model of Fiat Money” MME


Cass, D. & K. Shell, “In Defense of a Basic Approach” MME

Townsend, R. “Models of Money With Spatially Separated Agents” MME


Lagos, Rochetau, & Wright, “Liquidity: A New Monetarist Perspective; *Journal of Economic Literature*, forthcoming, on the website.