We meet Thursday 9am-12pm in KMC 9-191 Gruber Conference Room. There are 14 classes. The class covers advanced topics at the intersection of macroeconomics, monetary economics, banking, and international finance. We cover building blocks in macroeconomics and finance.

Organization of the class. The class is based on a list of topics and papers and organized in two parts. In the first part we cover the building blocks for macro-finance, and I do more of the teaching. In the second part we cover a list of questions, and you do more of the presenting.

- **T** (teach): I will teach these papers, and also hand out some teaching notes
- **P** (present): You will present these papers.
  - The presentation should last 20 minutes.
  - Do not include a conclusion slides. I will do the conclusion myself at the end of each session.
- **O** (other): These are other papers related to the topics

1 Building Blocks.

1. Basics of Financial Contracting (T)


(d) Intermediation: Calomiris and Kahn (1991), Shleifer and Vishny (1992), Shleifer and Vishny (1997)
2. Asset Pricing

(a) Survey: Cochrane (2017)
(b) Disasters Barro et al. (2013), Tsai and Wachter (2015)

3. Investment and Q Theory

(a) Q Theory of Investment, Philippon (2009)
(b) Disagreement among managers and investors, Stein (1996), Gilchrist et al. (2005)

4. Basic New Keynesian Model

(b) Borrower/Savers model, Eggertsson and Krugman (2012)
(c) Price dynamics Alvarez et al. (2016)
(d) $P$: Wang (2019)
(e) $P$: García-Schmidt and Woodford (2019)

2 Topics.

1. Fiscal Policy

(a) Baxter and King (1993), Blanchard et al. (2014), Martin and Philippon (2014), Nakamura and Steinsson (2014),
(c) $P$: Blanchard (2019)

2. Imperfect Competition

(a) Basic models, efficiency of entry, 2 sided platforms
(b) Gutiérrez and Philippon (2017, 2018, 2019)
(c) $P$: Olley and Pakes (1996)
(d) Technology adoption: $P$: Higgins (2019)
3. Misallocation

(a) Baqee and Farhi (2018), Midrigan and Xu (2011)

(b) Hsieh and Klenow (2009)

(c) Haltiwanger et al. (2018)

4. Trade

(a) Costinot and Werning (2018)

5. Household Finance


(b) Kaplan et al. (2016)

References


Drechsler, I., P. Schnabl, and A. Savov (2014). The deposits channel of monetary policy the deposits channel of monetary policy. NYU.


Wang, O. (2019). Banks, low interest rates, and monetary policy transmission. JMP MIT.
