

Syllabus

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Course: Macroeconomics II
Professor: Pierluca Pannella

2022 FIRST SEMESTER

COURSE OUTLINE

The course cover topics in Labor, Monetary and Financial Economics.

PROGRAM

Intro	Dynamic Optimization	
Frictions in labor markets: unemployment	Search model in labor market	LS
	Search and match in labor market	LS; Romer
	Search and match across industries	Acemoglu
	Wage dispersion and minimum wage	Burdett and Mortensen
Financial frictions: money and liquid debt	Search models of money	Kiyotaki and Wright; LS
	Liquidity creation and bank runs	Diamond and Dybvig;
	Information and liquidity creation	Dang, Gorton, Holmstrom and Ordoñez
Financial frictions: collateral and leverage	Collateral constraints	Kiyotaki and Moore
	Leverage and crisis in Open Economies	Mendoza
OLG and rational bubbles	OverLapping Generations	Romer
	Rational bubbles	Tirole; Martin and Ventura
Financial crises and Misallocation	Credit booms and crises	Gertler and Kiyotaki; Gorton and Ordoñez
	Credit and Misallocation	Hsieh and Klenow; Buera, Kaboski, and Shin; Moll
	PROVA FINAL	

BIBLIOGRAPHY

Textbooks:

Romer, "Advanced Macroeconomics"

Ljungqvist and Sargent, "Recursive Macroeconomic Theory"

Papers:

Acemoglu, "Good jobs versus bad jobs", 2001

Buera, Kaboski, and Shin, "Finance and Development: a Tale of Two Sectors", American Economic Review 2011

Burdett and Mortensen, "Wage differentials, employer size, and Unemployment", 1998

Dang, Gorton, Holmstrom and Ordoñez, "Banks as Secret Keepers", American Economic Review, 2017

Diamond and Dybvig, "Bank Runs, Deposit Insurance and Liquidity", Journal of Political Economy, 1983

Gertler and Kiyotaki, "Banking, Liquidity, and Bank Runs in an Infinite Horizon Economy", American Economic Review, 2015
Gorton and Ordoñez, "Collateral Crises", American Economic Review, 2014
Hsieh and Klenow, "Misallocation and Manufacturing TFP in China and India", Quarterly Journal of Economics, 2009
Kiyotaki and Moore, "Credit Cycles", Journal of Political Economy, 1997
Kiyotaki and Wright, "A Search Theoretic Approach to Monetary Economics", American Economic Review, 1993
Martin and Ventura, "Economic Growth with Bubbles", American Economic Review, 2012
Mendoza, "Sudden Stops, Financial Crises and Leverage", American Economic Review, 2010
Moll, "Productivity Losses from Financial Frictions: can Self-Financing undo Capital Misallocation?", American Economic Review, 2014
Schularick and Taylor, "Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises, 1870-2008" American Economic Review, 2012
Tirole, "Asset Bubbles and Overlapping Generations", Econometrica, 1985

GRADING

Final exam worth 100%. A re-evaluation with maximum grade 6 is arranged for those students that did not pass the first test. This second test will be scheduled between the 13th and 15th of July.

PROFESSOR – EMAILS

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