

Syllabus

[cmcd.economia@fgv.br]

Course: Macroeconomics II

Professor:

2024 FIRST SEMESTER

COURSE OUTLINE

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

PROGRAM

Introduction	Dynamic Optimization	Recursive Macroeconomic Theory
Labor Market Frictions	Random Search	Search Theoretic Models of the Labor Market: Survey
	Directed Search	Search Theoretic Models of the Labor Market: Survey
Financial Frictions	Liquidity	Liquidity – A New Monetarist Perspective - Survey
	Banks - Fragility	Bank Runs, Deposit Insurance, and Liquidity
	Banks - Information	Financial Intermediation, Loanable Funds, and the Real Sector Banks as Secret Keepers
	Collateral	Credit Cycles Collateral Crisis
Overlapping Generations	Growth	Advanced Macroeconomics
	Dynamic Efficiency	Recursive Macroeconomic Theory
	Prova Final	

BIBLIOGRAPHY

TEXTBOOKS

Romer, “Advanced Macroeconomics” (Romer)

Ljungqvist and Sargent, “Recursive Macroeconomic Theory” (LS)

LABOR MARKET FRICTIONS

Kircher, Guerrieri, Julien and Wright, “Directed Search and Competitive Search Equilibrium: A Guided Tour”, JEL 2021
Lang and Lehmann, “Racial Discrimination in the Labor Market: Theory and Empirics”, JEL 2012
Rogerson, Shimer and Wright, “Search Theoretic Models of the Labor Market: Survey”, JEL 2005

FINANCIAL FRICTIONS

Dang, Holmstrom, Gorton and Ordóñez, “Banks as Secret Keepers”, AER, 2017
Diamond, “Money in Search Equilibrium”, Econometrica, 1984
Diamond and Dybvig, “Bank Runs, Deposit Insurance, and Liquidity”, JPE 1983
Gorton and Ordóñez, “Collateral Crises”, American Economic Review, 2014
Holmstrom and Tirole, “Financial Intermediation, Loanable Funds, and the Real Sector”, QJE, 1997
Kiyotaki and Moore, “Credit Cycles”, Journal of Political Economy, 1997
Kiyotaki and Wright, “A Search-Theoretic Approach to Monetary Economics, AER 1993
Lagos, Rocheteau and Wright, “Liquidity: A New Monetarist Perspective”, Journal of Economic Literature, 2017

FINANCIAL CRISIS AND MISALLOCATION

Buera, Kaboski, and Shin, “Finance and Development: a Tale of Two Sectors”, American Economic Review 2011
Gertler and Kiyotaki, “Banking, Liquidity, and Bank Runs in an Infinite Horizon Economy”, AER 2015
Gorton and Ordóñez, “Good Booms, Bad Booms”, JEEA, 2020
Moll, “Productivity Losses from Financial Frictions: can Self-Financing undo Capital Misallocation?”, AER 2014

GRADING

Final exam worth 80%. Problem sets 20%.

A re-evaluation with maximum grade 6 is arranged for those students that did not pass the first test. The re-aval will take place in the first week of July.

PROFESSOR – EMAILS