

EE 439 Seminar in Monetary and Financial Economics

Reading List

The following is a preliminary reading list for the course. Please note that some addition and adjustment might be made along the way according to time limitation and class interest.

1. Central Bank Independence and Price Stability (19 January 2013)

Blinder, Alan S. (2000). "Central-Bank Credibility: Why Do We Care? How Do We Build It?" *American Economic Review* 90(5), pp. 1421-1431.

Alesina, A. and L. Summers. (1993). "Central Bank Independence and Macroeconomic Performance: Some Comparative Evidence." *Journal of Money, Credit, and Banking* 25(2), pp. 151-162.

Berg, A. G., C. J. Jarvis, M. R. Stone, and A. Zanello. (2003). "Re-Establishing Credible Nominal Anchors After a Financial Crisis: A Review of Recent Experience." *IMF Working Paper/03/76*.

2. Monetary Policy Regimes and Inflation Targeting (26 Jan. 2013)

Stone, M. R. and A. J. Bhundia. (2004). "A New Taxonomy of Monetary Regimes." *IMF Working Paper/04/191*.

Mishkin, F. S. (1999). "International experiences with different monetary policy regimes." *Journal of Monetary Economics* 43(3), pp. 579-605.

***Clarida, Richard, Jordi Gali, and Mark Gertler. (2000). "Monetary policy rules and macroeconomic stability: evidence and some theory." *The Quarterly Journal of Economics* 115(1): 147-180.

-- (2 Feb. 2013) --

Clarida, R., J. Garli, and M. Gertler.. (1999). "Science of Monetary Policy: A New Keynesian Perspective." *Journal of Economic Literature* 38(December), 1661-1707.

***Svensson, L. E. O. (1999) "Inflation targeting as a monetary policy rule." *Journal of Monetary Economics* 43(3), pp. 607-654.

3. Transmission Channels of Monetary Policy (9 Feb. 2013) --- **Proposal Due**

Bernanke, B. S., and M. Gertler. (1995). "INSIDE THE BLACK BOX: THE CREDIT CHANNEL OF MONETARY POLICY TRANSMISSION." *Journal of Economic Perspectives* 9(4): 27-48.

***Kashyap, Anil K., and Jeremy C. Stein. (2000). "What Do a Million Observations on Banks Say about the Transmission of Monetary Policy?" *American Economic Review*: 407-428.

Disyatat, Piti, and Pinnarat Vongsinsirikul. (2003). "Monetary policy and the transmission mechanism in Thailand," *Journal of Asian Economics*, Elsevier, vol. 14(3), pages 389-418.

4. Banking Industry: Competition and Stability (16 Feb. 2013)

Claessens, Stijn, and Luc Laeven. (2004). "What drives bank competition? Some international evidence." *Journal of Money, Credit and Banking*. 563-583.

***Beck, T., De Jonghe, O., & Schepens, G. (2012). "Bank competition and stability: cross-country heterogeneity." *Journal of Financial Intermediation*.

***Hanweck, Gerald, and Lisa Ryu. (2005). "Sensitivity of Bank Net Interest Margins and Profitability to Credit, Interest-Rate, and Term-Structure Shocks Across Bank Product Specializations." *FDIC*.

5. Role of Government Banks (23 Feb. 2013)

***La Porta, R., F. Lopez-de-Silanes, and A. Shleifer. (2002). "Government Ownership of Banks." *Journal of Finance* 57(1), pp. 265-301.

***Sapienza, P. (2004). "The effect of government ownership on bank lending." *Journal of Financial Economics* 72(2), pp. 357-384.

6. Financial Crises (9 Mar. 2013)

***Reinhart, Carmen M., and Kenneth S. Rogoff. (2011). "From Financial Crash to Debt Crisis." *American Economic Review* 101, pp 1676-1706.

Kaminsky, Graciela L., and Carmen M. Reinhart. "The twin crises: the causes of banking and balance-of-payments problems." *American economic review* (1999): 473-500.

7. Shadow Banking, Financial Crisis, and Monetary Policy (16 Mar. 2013)

***Brunnermeier, Markus K. (2009). "Deciphering the Liquidity and Credit Crunch 2007-2008." *The Journal of Economic Perspectives* 23(1): 77-100.

***Adrian, T., & Shin, H. S. (2010). "Liquidity and leverage." *Journal of Financial Intermediation*, 19(3), 418-437.

Adrian, Tobias, Emanuel Moench, and Hyun Song Shin. (2010), "Financial intermediation, asset prices, and macroeconomic dynamics." *Federal Reserve Bank of New York Staff Report* 422.

8. Monetary Policy, Exchange Rate, and Capital Flow Management (23 Mar. 2013)

Edwards, Sebastian. (2006). "The Relationship Between Exchange Rates and Inflation Targeting Revisited." *NBER Working Paper # 12163*.

Ostry, J. D., Ghosh, A. R., Habermeier, K., Chamon, M., Qureshi, M. S., & Reinhart, D. B. (2010). "Capital Inflows: The Role of Controls." *IMF Staff Position Note*.

9. Macroprudential Policy & Stress Testing (30 Mar. 2013)

Bruno, V. and Hyun Song Shin. (2012). "Assessing Macroprudential Policies: Case of Korea." *Working Paper, mimeo*, Princeton, NJ.

Wong, Eric, Tom Fong, Ka-fai Li, and Henry Choi. (2011). "Loan-To-Value Ratio as a Macro-Prudential Tool – Hong Kong's Experience and Cross-Country Evidence." *Hong Kong Monetary Authority, mimeo*.

Paper Presentation

Session I: 20 Apr. 2013

Session II: 27 Apr. 2013

(Make up class may be held if necessary on 28 Apr. 2013 for class presentation)