

## 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 Vongsirikul. (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.

Dinc, I. S. (2005). "Politician and banks: Political influences on government-owned banks in emerging markets." *Journal of Financial Economics* 77, pp 453-479.

**6. Financial Crises (9 Mar. 2013)**

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

Reinhart, C. and K. Rogoff. (2004). "The modern history of exchange rate arrangements: A reinterpretation." *Quarterly Journal of Economics* 69(1), pp. 1-48.

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., & Reinhardt, 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)