

**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. Inflation Targeting (25 January 2015)**

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. **Korn**

Svensson, L. E. O. (2010). "Inflation Targeting." *NBER Working Paper No. 16654*. **Benjarong**

Svensson, L. E. O. (2014). "Forward Guidance." *NBER Working Paper No. 20796*. **Juice**

**2. Central Bank Credibility (1 February 2015)**

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

Bordo, M. and P. L. Siklos (2015). "Central Banking Credibility: A Historical and Quantitative Exploration." *NBER Working Paper No. 20824*. **Yim**

\*\*\*Cavallo, A., G. Cruces, and R. Perez-Truglia (2014). "Inflation expectations, learning, and supermarket prices: Evidence from field experiments." *NBER Working Paper No. 20576*. **Song**

**3. Transmission Channels of Monetary Policy & Case of Thailand (8 February 2015)**

\*\*\*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. **Korn**

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. **Som**

\*\*\* Wongwachara, Warapong, Benjarong Suwankiri, and Naris Sathapholdeja. (2014). "Non-linearity in Monetary Policy Transmission: Roles of Liquidity and SFIs in Bank Lending Channel." Mimeographed. **Juice**

**No-class 15 February 2015 --- Proposal Due on 16 February in BE Office by Noon.**

**4. Monetary Policy, Exchange Rate, and Capital Flow Management (22 February 2015)**

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

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* **Song**

\*\*\*Alfaro, L., A. Chari, and Fabio Kanczuk. (2014). "The Real Effects of Capital Controls: Financial Constraints, Exporters, and Firm Investment." *NBER Working Paper No. 20726*. **Chill**

**5. Banking Industry: Competition and Stability (1 March 2015)**

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

\*\*\*Anginer, Deniz, Asli Demirguc-Kunt, Min Zhu. (2013). "How does competition affect bank systemic risk?" *Journal of Financial Intermediation*, forthcoming. **Seven**

Barth, J. R., C. Lin, P. Lin, and Frank M. Song (2009). "Corruption in bank lending to firms: Cross-country micro evidence on the beneficial role of competition and information sharing." *Journal of Financial Economics* 91(3), pages 361-388. **Aui**

**No-class 8 March 2015 (Mid-term Week)**

**6. Role of Government Banks (15 March 2015)**

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

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

Dinc, I. Serdar (2005). "Politicians and banks: Political influences on government-owned banks in emerging markets." *Journal of Financial Economics* 77(2), pages 453-479. **Ping**

**7. Financial Crises (22 March 2015)**

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

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. **Chill**

\*\*\*Ollivaud, P. and D. Turner (2014), "The Effect of the Global Financial Crisis on OECD Potential Output", *OECD Economics Department Working Papers, No. 1166*, OECD Publishing. **Aui**

**8. Firm-level Effects of Financial Constraints (29 March 2015)**

Braun, Matia and Larrain, Borja. (2005). "Finance and the Business Cycle: International, Inter-Industry Evidence." *Journal of Finance*, 60(3), pages 1097–1128. **Aui**

\*\*\*Campello Murillo, John R. Graham, and Campbell R. Harvey. (2010). "The real effects of financial constraints: Evidence from a financial crisis." *Journal of Financial Economics*, 97(3), pages 470–487. **Joy**

\*\*\*Kahle, Kathleen M. and René M. Stulz. (2013). "Access to capital, investment, and the financial crisis." *Journal of Financial Economics*, 110(2), pages 280–299. **Ping**

**9. Shadow Banking, Financial Crisis, and Monetary Policy (5 April 2015)**

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

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

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. **Yim**

**10. Unconventional monetary policies and their implications (19 April 2015)**

Park, D., A. Ramanyadi, and K. Shin (2014). "Capital Flows During Quantitative Easing and Aftermath: Experiences of Asian Countries." *Asian Development Bank Economic Working Paper Series No. 409*. **Song**

\*\*\*Swanson, E. and J. Williams (2014). "Measuring the Effect of the Zero Lower Bound on Medium- and Longer-Term Interest Rates" *NBER Working Paper No. 20486*. **Yim**

Buck, N., R. Churm, M. McMahon, A. Morotz, and J. Schantz (2014). "QE and the bank lending channel in the United Kingdom." *Bank of England Working Paper No. 511*. **Som**

**11. Special Topics: Real Estate and Behavioral Finance ((26 April 2015)**

Robert J. Shiller. (2007). "Understanding Recent Trends in House Prices and Homeownership." *Proceedings - Economic Policy Symposium - Jackson Hole, Federal Reserve Bank of Kansas City*, pages 89-123. **Pla**

Genesove, D. and C. Mayer (2001). "Loss Aversion and Seller Behavior: Evidence From the Housing Market." *Quarterly Journal of Economics*, 116 (4), 1233-1260. **Chill**

Odean, T. (1998). "Are investors reluctant to realize their losses?" *The Journal of Finance*, 53(5), 1775-1798. **Chill**

\*\*\*Bailey, W., Kumar, A., & Ng, D. (2011). "Behavioral biases of mutual fund investors." *Journal of Financial Economics*, 102(1), 1-27. **Juice**

(Additional make-up class may be held if necessary)

**Student's Research Presentation**

**Session I: 3 May , 2015**

**Session II: 10 May, 2015**