

# ECON 298: Economic Crises and Financial Contagions

Spring 2020 | T TH 1:50pm -3:20pm | 242 J.R. Howard

## Instructor Information

Instructor	Email	Office Location	Office Hours
Professor Brian Dombeck	<a href="mailto:bdombeck@lclark.edu">bdombeck@lclark.edu</a>	327 J.R. Howard	Monday 1:00pm-3:00pm Wednesday 7:30am-9:30am and by appointment

## Course Description

ECON 298 is a special topics course offered by the economics department. The focus of this iteration is on economic crises such as currency crises, sovereign debt crises, liquidity crises, and garden-variety business cycle fluctuations and the macroeconomic policies used to fight each. ECON 100 (Principles of Economics) is the sole prerequisite for the course. All students will minimally need to be comfortable with college level algebra, graphical analysis, and have an understanding and familiarity with the basic tools of economic modeling and analysis.

Episodic collapses in the stability and functioning of markets are ubiquitous in world economic history. While the resulting financial crises and business cycle fluctuations, as they have come to be known, exhibit cross-economy heterogeneity with respect to their frequency, severity, and duration, all economies must contend with the possibility that they will experience a crisis of some kind. Although such crises can be seen as natural events arising from the complicated and idiosyncratic behaviors of individuals, they often come at a significant cost not only to those directly involved in the market but also to economic agents who are ostensibly removed from the markets considered. This externality-like nature of macroeconomic crises suggests a possible role for institutions - such as governments and central banks - to play a welfare enhancing role either by acting to mitigate crises as they occur or prevent them from originating at all.

This course will review the historical context of several important crises that have occurred around the world and propose theories to address them. Albeit grounded in history, lectures will emphasize the use of quantitative analysis and formal economic models. We will begin by formalizing our notions of what constitutes a macroeconomic crisis by reviewing the historical record to identify extraordinary episodes of economic performance. Terminology in hand we will proceed to study banking runs, panics, and contagions through the lens of the Diamond-Dybvig model, and asset price bubbles such as the famed Dutch Tulipmania and English South Seas bubbles and the more recent residential real estate bubble in the US using the Samuelson-Tirole model.

We follow this with a study of how shocks to the financial system (such as those previously considered) can lead to fluctuations in real variables like output and unemployment by constructing the closed economy Bernanke-Blinder IS-LM-CC model. This leads to a discussion of the issues associated with integrated financial markets in terms of their role as amplifiers and transmitters of local shocks, including lapses in liquidity called "credit crunches", to help explain how crises in one economy can spread to the entire world. Adopting a global view invites examining the economic impact of sudden stops to capital flows with a focus on countries which consequently experience sovereign debt and/or currency crises. We conclude with an in-depth review of the 2008 Global Financial Crisis, which will serve as a crucible by which all previous themes are conjoined.

This class is designed to provide economics majors and minors, as well as interested non-majors, the foundations necessary to understand the origins and ends of major macroeconomic problems confronted in market economies, and to evaluate solutions to those problems.

## Student Learning Outcomes

After taking this course students should be able to:

- Choose appropriate macroeconomic models to analyze and predict the impact of various economic shocks
- Combine real-world data, theoretic analysis, and narrative exposition to explain macroeconomic phenomena
- Explain the key role expectations play in financial markets and economic decision making
- Independently and critically evaluate macroeconomic policy decision making through the lens of past crises
- Exhibit an awareness of the economic lessons of the past including mistakes to avoid in the future
- Understand the complex workings of the vast international system of currency, foreign exchange, and financial markets
- Describe derivatives and securitization and explain how these innovations help manage risk but, when misused, amplify it.
- Describe and explain the role of a central banker and other financial regulators, including the evolution of the too-big-to-fail doctrine and its effect on business practices.
- Explain the purpose of accounting, public disclosure, and financial regulation in keeping financial markets healthy, and apply that knowledge in specific situations.

## Office Hours

Days and time for office hours are listed above. *You do not need to make an appointment to attend office hours during those times.* I strongly encourage all students to make it a habit to regularly attend office hours, as it can help students to address both the “known-unknowns” and the “unknown-unknowns”.

## Course Materials

The required texts for this class are

- Reinhart, Carmen M., and Kenneth S. Rogoff. 2009. [This Time Is Different: Eight Centuries of Financial Folly](#). Princeton, New Jersey: Princeton University Press.
- Kindleberger, C. P., & Aliber, R. Z. (2011). *Manias, panics and crashes: a history of financial crises*. Palgrave Macmillan. 7<sup>th</sup> edition
- Shiller, R. J. (2015). *Irrational exuberance: Revised and expanded third edition*. Princeton university press.

Additional required readings will be provided via Moodle. See the tentative course schedule at the end of the syllabus for an up-to-date reading list.

## Grading

Assignment	Approximate Date(s)	Weight
Attendance and Participation	Throughout Term	30%
Problem Sets	Throughout Term	28%
Take-home Essay Exam 1	Week 7	16%

Take-home Essay Exam 2	Week 15	16%
Final Presentation	Final Exam Block	10%

Your numeric final grade is calculated as a weighted average of your performance across all assignments. Let the weight of assignment  $k$  be denoted  $\omega_k$  where  $\sum_k \omega_k = 1$  and the score received be  $p_k$ . Then you can calculate your numeric grade  $S$  as

$$S = \sum_k \omega_k p_k$$

Sufficient conditions mapping numeric grades  $S$  to letter grades are as follows:

**If your grade is... ... then you will receive *at least* a(n)**

<b>≥96%</b>	<b>A</b>
<b>≥92%</b>	<b>A-</b>
<b>≥88%</b>	<b>B+</b>
<b>≥84%</b>	<b>B</b>
<b>≥80%</b>	<b>B-</b>
<b>≥76%</b>	<b>C+</b>
<b>≥72%</b>	<b>C</b>
<b>≥68%</b>	<b>C-</b>
<b>≥64%</b>	<b>D+</b>
<b>≥60%</b>	<b>D</b>

The grading scheme above should be interpreted as the maximum numerical grades necessary for the corresponding letter grades. For example, a student with an overall final numeric score of 75% is guaranteed to receive a letter grade which is no worse than a C, since a 75% would fall between the maximum required grade for a C and a C+. The final grading scheme will be applied equally to every student in the class.

The only way to *guarantee* receipt of a specific desired grade is to achieve the sufficient conditions outlined above.

The economics department and I take grade inflation<sup>1</sup> very seriously. To remind you the meaning behind each letter grade, the College grading system as described in the Academic Catalog is replicated below:

<b>Recorded Grade</b>	<b>Points used to Calculate GPA</b>	<b>Explanation</b>
<b>A</b>	<b>4</b>	<b>Outstanding work that goes beyond analysis of course material to synthesize concepts in a valid and/or novel or creative way</b>
<b>B</b>	<b>3</b>	<b>Very good to excellent work that analyzes material explored in class and is a reasonable attempt to synthesize material</b>

<sup>1</sup> the assigning of grades higher than previously assigned for given levels of achievement

<b>C</b>	2	Adequate work that satisfies the assignment, a limited analysis of material explored in class
<b>D</b>	1	Passing work that is minimally adequate, raising serious concern about readiness to continue in the field.
<b>F</b>	0	Failing work that is clearly inadequate, unworthy of credit.
<b>+</b>	+0.30	With B,C,D
<b>-</b>	-0.30	With A,B,C
<b>CR/NC</b>	-	Successful completion of course requirements at the level of C (2.000) or higher is signified on the transcript by Credit (CR). Students who fail to successfully complete the requirements at the level of C (2.000) receive a designation of No Credit (NC).
<b>W</b>	-	A Withdrawal grade is recorded when a course is dropped after the second week of the semester. Withdrawal after the end of the 10th week requires consent of the course instructor. W grades are also recorded in the case of a complete semester withdrawal at any time after the semester begins. W grades are not used for calculating the student's GPA.
<b>I</b>	-	An Incomplete grade may be assigned at the discretion of the instructor when circumstances beyond the control of the student prevent completion of the course. It is intended for use when a small number of assignments or the final exam is outstanding

*Please note that the Economics Department requires a letter grade of D or higher for all classes, and a cumulative major-specific GPA of at least 2.0 to graduate with a degree (major or minor) in Economics. If you take this class CR-NC, it will not be counted toward your major or minor requirements.*

### Course Withdrawals

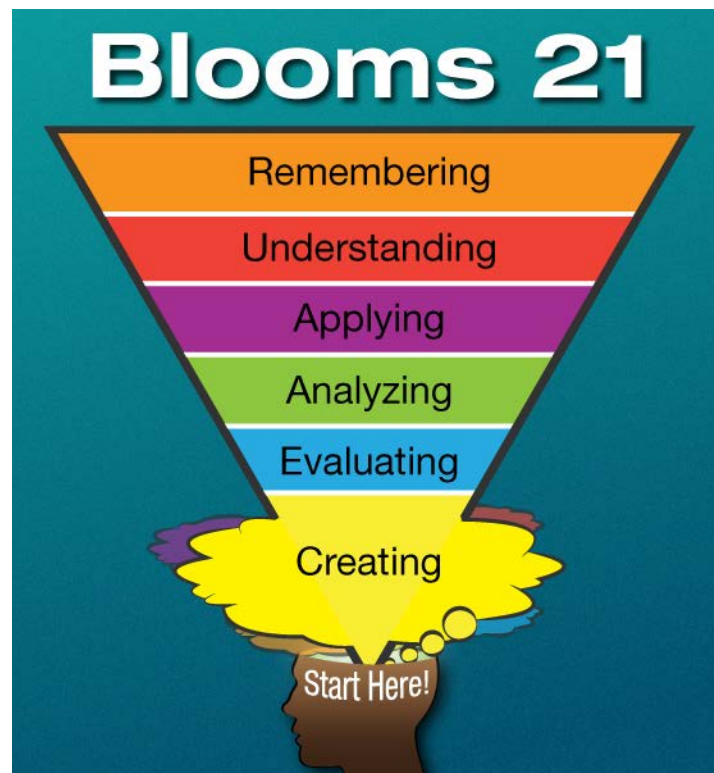
You may drop this course on Webadvisor any time before the Friday of the second week of class and no W grade will appear on your transcript. The last day to withdraw without recording a "W" is thus **Friday January 31<sup>st</sup>**.

After the second week and before 4pm on Friday of the 10th week of regularly scheduled classes, you can withdraw from the course by submitting a Course Withdrawal form to the Registrar's Office. In this case, a W grade will appear on your transcript.

The last day to withdraw is **Friday April 3rd**. It is not possible for me to authorize your withdrawal from the course after that date. At that point, you will need to complete the course and take whatever grade you have earned. If you have questions or concerns about your performance in the course, please talk with me before this date.

### Bloom's Taxonomy

Bloom's Taxonomy refers to a hierarchical ordering of cognitive skills that can be used to aid in the development of critical thinking. It is often organized into a pyramid to emphasize the fact that learning involves many different and intimately related orders of cognition.



The taxonomy can be useful for instructors and students as they consider the process of teaching and learning, and in the development and completion of methods for evaluation.

### Attendance and Participation

This is a class based on collaborative discourse. As such, being prepared to participate in discussions is a course requirement. This entails having read, annotated, and thought about the complete assignment carefully before class starts; furthermore, you should bring your own copy of assigned texts to class every day in either digital or physical form.

More broadly speaking: Ask questions. Be curious. You are more than welcome to have a different interpretation of a text than a classmate or the instructor; just be sure to share your perspective in a productive and supportive manner. Since the course will generally be conducted as a seminar (as opposed to a series of lectures), the substance of our class meetings will primarily consist of your responses to the course texts (such as general questions, impressionistic responses, or interpretations of particular passages) and, secondarily, instructor-led engagement with your responses. Your thoughts and questions will provide the starting point for our discussions. Your active participation will consequently be factored into your final grade for the course.

Purpose and Placement in Bloom's Taxonomy: Each topic will generally begin with an in-class experiment designed to engage students' creativity and interest in the topic. Evaluating and analyzing the results of the experiment will facilitate an application of key concepts which have been uncovered to specific readings which contribute more detail. These readings and subsequent discussions should motivate a re-engagement with the creative process through the lens of a particular theory which will be used to re-evaluate, re-analyze, and re-apply the previous discussions and findings in a formal framework. Armed with this knowledge topics are re-examined with respect to the historical record to finalize the knowledge-generation process and facilitate an understanding of the larger importance as well as providing a guide to remember the specific details.

Evaluation of these metrics will be accomplished by students completing "participation logs" which will be used by students to record, self-assess, and work toward improving their participation in class and by the instructor to assess student participation, processing of the material, and make real-time adjustments to teaching style (if needed).

Logs are to be submitted electronically (via Moodle) by midnight on the Sunday following the conclusion of every fourth class; barring any class cancelations this will translate into a biweekly submission.

### **Problem Sets**

The first half of the course will include the development and analysis of four theoretic models related to each of the topics being discussed: bank runs, asset price bubbles, money and fluctuations in aggregate demand, and issues with sovereign debt and international finance. Following the in-class construction and analysis of these baseline models you will be assigned a problem set which will require you to expand the model in some meaningful way. These problem sets will be assigned on the day in which we finish our in-class discussion of the corresponding model and will be due by the beginning of the "next-next" class, which will typically be one week.

Purpose and Placement in Bloom's Taxonomy: Problem sets will serve as extensions to the baseline models presented which highlight deficiencies and strengths of the existing models as well as providing specific examples of how economists modify models to answer specific research questions they are asking. These problem sets will enable students to visit Bloom's pyramid in reverse order: beginning with the baseline of remembering and understanding the core model, students will be expected to apply the knowledge developed from in-class discussions and guided lines of questioning to analyze the model's predictions, evaluate the efficacy of the model on a variety of dimensions, and engage creatively with an alternative version.

Collaboration on problem sets is encouraged, but all work submitted must be original. Problem sets submitted late will be subject to a penalty rate of 0.5 percentage-points per minute from the grade counterfactually received by an on-time submission. The decay starts ten minutes from the beginning of the class in which the problem set is to be collected. This means students submitting problem sets at the end of the class in which it was to be submitted (a delay of 80 minutes) will receive no more than a 60%.

### **Take-home Essay Exams**

All exams will be completed by students individually and outside of the regularly scheduled class time. Physical copies of exams will be distributed at the beginning of class and will be submitted electronically (via Moodle) within 24 hours of their distribution. Submissions are to be typewritten and in the form a .pdf. Specific details regarding formatting, length, etc. will be distributed the week before the first exam.

Exams are cumulative but never comprehensive: material later in the course builds off material early in the course and thus mastery of this early material is expected; however, you will not be assessed specifically on any given topic on more than one exam. Students will be expected to effectively blend knowledge gained from in-class discussions, theoretical models developed, and the assigned out-of-class readings from the required course texts. As a result, the best way to prepare will be to attend and actively participate in all classes, complete all problem sets in a timely and thoughtful manner, and develop both a timeline for reading the assigned texts (do not procrastinate!) and a strategy for quickly recalling key details for use in your response.

Purpose and Placement in Bloom's Taxonomy: These exams exist to give students a chance to demonstrate their creativity, technical skills, and critical thinking abilities as they relate to analyzing and evaluating propositions and creative arguments which demonstrate an understanding of the big picture ideas as well as the important details.

The exams are administered as “take home exams” for three primary reasons having to do with universal design<sup>2</sup>. First, the time constraints placed on in-class exam taking are arbitrary and subject to change depending on the classes specific meeting schedule. Second, heterogeneity in factors unrelated to the material being tested e.g. individual-level general reading comprehension and test-taking preparation and classroom-level test-taking environment such as time of day and classroom location can materially affect the learning outcomes and performances of student-classroom units of observation. Third, take-home examinations preserves the right for students with recognized disabilities who are entitled to particular accommodations to remain anonymous to their peers.

You may consult your textbook, notes, and standard Internet resources when taking take-home exams, but **your work must be original and you may not solicit or obtain assistance from or provide assistance to other people for any specific content on the exam.** Activities considered cheating include (but are not limited to) copying or closely paraphrasing content from websites, discussing exam questions with other students, and asking for help with specific questions on Internet forums. **All exams are checked for originality and copied content and anyone found cheating will be assigned a score of zero for the exam, in addition to immediate initiation of the process for academic misconduct.**

### *Missed Exam Policy*

Requests for makeup exams will not be granted. Instead, students finding themselves with an emergency which conflicts with taking the exam may be granted the option to combine the weight of an earlier exam with the next exam to be administered. Examples of such emergencies include (but are not limited to): serious health issue, accommodations for documented disability, participation in University-approved sporting events, and acute family stresses such as deaths or parental obligations.

If an emergency arises, it is critical that students be proactive in discussing their circumstances with the instructor. If any student can foresee a possible emergency, please advise the instructor of the possible circumstances at the beginning of the term.

### **Final Presentation**

Students working either by themselves or in self-organized groups of two will be responsible for researching and sharing information on a topic of their choice which is related to the core content of the class but has not been specifically covered. Presentations should take the form of a teaching exercise in which presenters assume responsibility for the engagement and learning outcomes of all other participants. Examples of topics might include an in-depth case study of a particular crisis, industry, or regulatory reform; representation of crises in media e.g. film, TV, and books; and studies related to the importance of sentiment, expectations, and psychology in financial markets.

Purpose and Placement in Bloom’s Taxonomy: This assignment exploit the so-called protégé effect which finds that the best way to learn something is often to teach it. Allowing students nearly total control over the choice of material and the means of information dissemination will foster inclusivity in the classroom and facilitate student ownership, agency, and engagement with the material. Creating a lesson plan by which brand new material can be shared with a sophisticated but unknowledgeable audience will familiarize students with the process of moving from the creativity stage to the remembrance stage of Bloom’s taxonomy; sharing the material of that plan will allow students to proceed back down the taxonomy from self-remembrance to facilitating the creativity of others.

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<sup>2</sup> Universal Design (UD) in teaching is the principle of creating a learning environment where everyone can learn without special concessions or treatment.

Presentations should be in the neighborhood of 10-15 minutes. All students/groups will be required to submit a lesson plan which details the goal of the presentation-lesson as well as how the specific approach taken will accomplish the goal.

**Extra Credit Opportunities:**

I reserve the right to award extra credit at my discretion, and to create extra credit opportunities throughout the term.

**Grade Appeals:**

Any requests for re-grading must be submitted to the instructor in a typewritten .pdf document within 120 hours (five calendar days) of grades being available, exclusive of the day in which they are posted. Your document should make a brief argument for why the re-grade request should be approved. I reserve the right to refuse requests, and to re-grade the entire assignment when a request is approved.

**Email and Moodle**

In addition to posting course materials, I will use Moodle to communicate with you throughout the term. This means you should be checking your email regularly. If your lclark.edu address is not your primary email address, be sure to have the messages forwarded to the one you do check. Not checking your inbox is not a valid excuse for not knowing what is happening in the course.



## Students with Disabilities

If you have - or if you suspect that you *may* have - a disability of any kind that may impact your academic performance, you may request accommodations by submitting documentation to the Student Support Services Office in Albany Quadrangle (503-768-7192). After you have submitted documentation and filled out paperwork there for the current semester requesting accommodations, staff in that office will notify me of the accommodations for which you are eligible.

It is extremely important that should such accommodations be required for any reason that you communicate this with me, preferably during the first week of class. It is my goal to ensure each student is given the appropriate opportunities to complete the assignments necessary to make good progress in this course; to that end I strongly suggest that you utilize the resources and accommodations available to you.

## Academic Integrity

Academic misconduct will be treated very seriously. As described in the Academic Catalog, the following are prohibited forms of conduct under the Lewis and Clark Academic Integrity Policy. Any attempted or completed action below is subject to disciplinary action:

1. Cheating: Using unauthorized materials or accessing information not explicitly permitted as part of an academic exercise.
2. Falsification: Falsification of any information, data, or citation as part of an academic exercise.
3. Plagiarism: Reproduction of the ideas, words, or statements of another without due acknowledgement.
4. Resubmission: Resubmission of an academic product, such as a paper or project, for which credit has previously been obtained or is being sought, without knowledge or approval of the currently involved faculty.
5. Sabotage: Interference with or theft, alteration, or destruction of the academic work, educational resources, materials, or documents of others.
6. Exploitation of Academic Assistance: Unfairly benefitting from the assistance provided by another in the process of completing an academic exercise.
7. Facilitating Academic Dishonesty: Knowingly helping another to violate the Academic Integrity Policy.

For more information about Lewis & Clark's Academic Integrity Policy, consult the guides for [Student Conduct](#), the [Office of the Dean of the College of Arts and Sciences](#), or the [Office of the Dean of Students](#).

Collaboration is encouraged. However, any work submitted as your own must actually be your own. Failure to comply with the standards of academic integrity set forth in the Student Code of Conduct may result in a zero grade for the assignment, a failing grade for the course, and/or documentation of the incident with the Office of Student Rights & Responsibilities, the Office of the Dean of Students, and/or the Office of the Dean of the College of Arts and Sciences.

## Statement Regarding Sexual Violence

A 2015 survey found that 25 percent of female and 7 percent of male students report at least one nonconsensual sexual experience while in college. An overwhelming majority of these events are perpetrated in the first four semester on campus and are committed by a person the victim knows. Furthermore, over 40 percent of dating college women report experiencing violent and abusive dating behaviors including physical, sexual, technology-facilitated, verbal or other forms of controlling abuse. It is estimated that between 80 and 90 percent of sexual assaults are never reported.

Lewis & Clark College and myself are committed to providing a non-discriminatory and harassment-free education environment free of all forms of discrimination and sexual harassment, including sexual assault, domestic and dating violence and gender-based stalking. If you (or someone you know) has experienced or experiences gender-based violence (intimate partner violence, attempted or completed sexual assault, harassment, coercion, stalking, etc.), know that you are not alone. Lewis & Clark has staff members trained to support survivors in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, helping with legal protective orders, and more.

Please be aware that all faculty, staff, and administrators are required to report situations which come to our attention to the appropriate authority within the College. Note that you as the Complainant will still have options about how your case will be handled, including whether or not you wish to pursue a formal complaint. The goal in requiring faculty, staff, and administrators to be required reporters is to ensure that you, the Complainant, are aware of the range of options available to you and have access to the resources you need; in addition, we are required as a College to ensure proper procedures are followed in the event of a situation arising.

Lewis & Clark's Sexual Assault Response Network provides survivors and Lewis & Clark community members with a coordinated set of campus resources to educate, empower, and protect. The main point of contact in this network is a [Sexual Assault Response Advocate](#), or SARA, a College professional specifically trained to provide support for survivors and their friends. You can contact a SARA at 503-202-3119, or reach out to one on this [list](#).

Additional resources, including confidential resources (denoted with \*), are listed below:

[Title IX Coordinator](#): (503) 768-7200

[Campus Safety Office](#): (503) 768-7777

\*[Counseling Service](#): (503) 768-7160

\*[Student Health Service](#): (503) 768-7165

\*[Health Promotion and Wellness](#): (503) 768-8225

\*[Ombuds Office](#): (503) 768-7336

[Student Support Services](#): (503) 768-7156

[Student Rights and Responsibilities](#): (503) 768-8181

[Dean of Students](#): (503) 768-7110

[Office of Campus Living](#): (503) 768-7123

## Student Engagement

It comes as a surprise to some students that under Federal guidelines, each undergraduate credit-hour is expected to reflect one hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for a semester hour. ECON 298 awards four credit-hours, and hence the expectation is that the median student will spend approximately twelve hours each week engaged in activities directly related to the course, including (but not limited to): attending class, reading the textbook, completing assignments, studying independently, and attending office hours. This is a cumulative total of 180 hours over the fifteen-week semester.

To make this idea more concrete, the following table summarizes the approximate time allotment for the main activities of this course:

<i>Activity</i>	<i>Elaboration</i>	<i>Expected Hours</i>
<i>Course Attendance, In-class Participation, and Completing Participation Logs</i>	<i>Failing to attend class will make passing the course extremely difficult. You should make every attempt to be present physically and mentally for each class and to engage actively with the material presented and discussions therein.</i>	<i>4 hours per week 60 hours per semester 33.33% of total time</i>
<i>Preparing for Class and Exams</i>	<i>Completing assigned readings, preparing for in-class participation and take-home essay exams</i>	<i>3 hours per week 45 hours per semester 25% of total time</i>
<i>Completing Problem Sets and Exams</i>	<i>Problem sets are designed to provide students an opportunity to go beyond the simplest expressions of the models considered and get acquainted with the inner workings of economic models. Exams are designed to provide an opportunity for students to engage with all elements of the material and synthesis their accumulated knowledge from a variety of sources into a unified argument.</i>	<i>3.5 hours per week 52.5 hours per semester 29.167% of total time</i>
<i>Final Presentation</i>	<i>Identifying a topic; conducting independent research; developing a lesson plan; designing and delivering a presentation.</i>	<i>1.5 hours per week 22.5 hours per semester 12.5% of total time</i>

## Tentative Course Schedule

What follows is a rough sketch of the ordering and content of topics covered in this course. Note that listed topics may be omitted and/or unlisted topics may be added at the instructor's discretion

Week	Day	Topics	Readings for Class Discussion	Readings for Take Home Essays	Special Notes
1	1/21/2020	Syllabus Introduction to Crises and This-time-is-different Syndrome			
1	1/23/2020	Definitions: Thresholds and Events	Reinhart and Rogoff Ch 1-3		
2	1/28/2020	Bank Runs (Experiment)	n/a	Reinhart and Rogoff Ch. 10	
2	1/30/2020	Bank Runs (Introductory Discussion and Theory I)	Gorton, G., & Huang, L. (2002). Banking panics and the origin of central banking (No. w9137). National Bureau of Economic Research.  Shleifer, A., & Vishny, R. (2011). Fire Sales in Finance and Macroeconomics. <i>The Journal of Economic Perspectives</i> , 25(1), 29-48. <a href="http://www.jstor.org/stable/23049437">www.jstor.org/stable/23049437</a>	Reinhart and Rogoff Ch. 10	
2	1/31/2020				Last day to withdraw without "W"

3	2/4/2020	Bank Runs (Theory II)	Diamond, D., & Dybvig, P. (1983). <i>Bank Runs, Deposit Insurance, and Liquidity</i> . <i>Journal of Political Economy</i> , 91(3), 401-419. <a href="http://www.jstor.org/stable/1837095">www.jstor.org/stable/1837095</a>	Reinhart and Rogoff Ch. 10	Bank Run Problem Set Assigned
3	2/6/2020	Bank Runs (Analysis) Bubbles (Experiment)	Gorton, G., & Metrick, A. (2013). <i>The Federal Reserve and Panic Prevention: The Roles of Financial Regulation and Lender of Last Resort</i> . <i>The Journal of Economic Perspectives</i> , 27(4), 45-64. <a href="http://www.jstor.org/stable/23560021">www.jstor.org/stable/23560021</a>	Reinhart and Rogoff Ch. 10 Aliber and Kindleberger Ch. 2-5	

4	2/11/2020	<i>Bubbles (Introductory Discussion and Theory I)</i>	<p><i>Keynes, John Maynard, 1883-1946. (1936). The general theory of employment, interest and money. Chapter 12 "The state of long-term expectation. London :Macmillan, <a href="http://gutenberg.net.au/ebooks03/0300071h/chap12.html">http://gutenberg.net.au/ebooks03/0300071h/chap12.html</a></i></p> <p><i>Tirole, J. (1985). Asset Bubbles and Overlapping Generations. Econometrica, 53(5), 1071-1100. <a href="https://www.jstor.org/stable/1911012">https://www.jstor.org/stable/1911012</a></i></p> <p><i>Samuelson, P. (1958). An Exact Consumption-Loan Model of Interest with or without the Social Contrivance of Money. Journal of Political Economy, 66(6), 467-482. <a href="http://www.jstor.org/stable/1826989">www.jstor.org/stable/1826989</a></i></p>	Aliber and Kindleberger Ch. 2-5	
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4	2/13/2020	<i>Bubbles (Theory II)</i>	<p><i>Tirole, J. (1985). Asset Bubbles and Overlapping Generations. Econometrica, 53(5), 1071-1100.</i>  <a href="https://www.jstor.org/stable/1911012">https://www.jstor.org/stable/1911012</a></p> <p><i>Samuelson, P. (1958). An Exact Consumption-Loan Model of Interest with or without the Social Contrivance of Money. Journal of Political Economy, 66(6), 467-482.</i>  <a href="http://www.jstor.org/stable/1826989">www.jstor.org/stable/1826989</a></p>	Aliber and Kindleberger Ch. 2-5	<i>Bubbles Problem Set Assigned</i>
5	2/18/2020	<i>Bubbles (Analysis) Business Cycles (Experiment)</i>	<p>Garber, P. (1990). Famous First Bubbles. The Journal of Economic Perspectives, 4(2), 35-54.  <a href="http://www.jstor.org/stable/1942889">www.jstor.org/stable/1942889</a></p>	Aliber and Kindleberger Ch. 2-5	



5	2/20/2020	<i>Business Cycles (Introductory Discussion and Theory I)</i>	<p>Mian, A., &amp; Sufi, A. (2018). <i>Finance and Business Cycles: The Credit-Driven Household Demand Channel</i>. <i>The Journal of Economic Perspectives</i>, 32(3), 31-58.  <a href="http://www.jstor.org/stable/26473064">www.jstor.org/stable/26473064</a></p> <p>Bernanke, B., &amp; Blinder, A. (1988). <i>Credit, Money, and Aggregate Demand</i>. <i>The American Economic Review</i>, 78(2), 435-439.  <a href="http://www.jstor.org/stable/1818164">www.jstor.org/stable/1818164</a></p>		
6	2/25/2020	<i>Business Cycles (Theory II)</i>	<p>Bernanke, B., &amp; Blinder, A. (1988). <i>Credit, Money, and Aggregate Demand</i>. <i>The American Economic Review</i>, 78(2), 435-439.  <a href="http://www.jstor.org/stable/1818164">www.jstor.org/stable/1818164</a></p>		<i>IS-LM-CC Problem Set Assigned</i>
6	2/27/2020	<i>Business Cycles (Analysis) Sudden Stops, Sovereign Debt, and Currency Crises (Experiment)</i>	<p>Basu, S., &amp; Taylor, A. (1999). <i>Business Cycles in International Historical Perspective</i>. <i>The Journal of Economic Perspectives</i>, 13(2), 45-68.  <a href="http://www.jstor.org/stable/2647117">www.jstor.org/stable/2647117</a></p>		
7	3/3/2020	<i>Sudden Stops, Sovereign Debt and Currency Crises (Introductory Discussion and Theory I)</i>		<i>Reinhart and Rogoff Ch. 4-6, 11, and 12</i>	

7	3/5/2020	<i>Sudden Stops, Sovereign Debt and Currency Crises (Theory II)</i>		<i>Reinhart and Rogoff Ch. 4-6, 11, and 12</i>	<i>Mundell-Fleming Problem Set Assigned</i>
8	3/10/2020	<i>Sudden Stops, Sovereign Debt and Currency Crises (Analysis)</i>	Dornbusch, R., Goldfajn, I., Valdés, R., Edwards, S., & Bruno, M. (1995). <i>Currency Crises and Collapses. Brookings Papers on Economic Activity, 1995(2), 219-293.</i> <a href="https://www.jstor.org/stable/2534613">https://www.jstor.org/stable/2534613</a>	<i>Reinhart and Rogoff Ch. 4-6, 11, and 12</i>	
8	3/12/2020	<i>Exam 1</i>			<i>Exam 1 Administered</i>
8	3/13/2020				<i>Exam 1 Due</i>
9	3/17/2020	<i>The Great Recession: Definitions and Sequencing</i>		<i>Irrational Exuberance Ch. 1-7</i>	
9	3/19/2020	<i>The Great Recession: Definitions and Sequencing</i>		<i>Irrational Exuberance Ch. 1-7</i>	
10	3/24/2020	<i>No class - Spring Break</i>			
10	3/26/2020	<i>No class - Spring Break</i>			
11	3/31/2020	<i>The Big Short I</i>		<i>Irrational Exuberance Ch. 1-7</i>	
11	4/2/2020	<i>The Big Short II and Discussion</i>		<i>Irrational Exuberance Ch. 1-7</i>	

11	4/3/2020				<i>Last day to withdraw</i>
12	4/7/2020	<i>The Great Recession: Impact and Policy Responses</i>		<i>Irrational Exuberance Ch. 1-7</i>	
12	4/9/2020	<i>The Great Recession: Impact and Policy Responses</i> <i>Screening of "Money, Power, and Wall Street Ep. 2"</i>			
13	4/14/2020	<i>Screening of "Money, Power, and Wall Street Ep. 3" and Discussion</i>			
13	4/16/2020	<i>From a Great Recession to a Global Financial Crisis</i>	Shin, H. (2009). Reflections on Northern Rock: The Bank Run That Heralded the Global Financial Crisis. <i>The Journal of Economic Perspectives</i> , 23(1), 101-120. <a href="http://www.jstor.org/stable/27648296">www.jstor.org/stable/27648296</a>		
14	4/21/2020	<i>From a Great Recession to a Global Financial Crisis</i>	Lane, P. (2012). The European Sovereign Debt Crisis. <i>The Journal of Economic Perspectives</i> , 26(3), 49-67. <a href="http://www.jstor.org/stable/41581131">www.jstor.org/stable/41581131</a>		
14	4/23/2020	<i>Macroprudential Policies and Global Recovery</i>			

15	4/28/2020	<i>The Next Crisis</i>			
15	4/30/2020	<i>Exam 2</i>			<i>Exam 2 Administered</i>
15	5/1/2020				<i>Exam 2 Due</i>
<b><i>Finals</i></b>	5/5/2020	8:30-11:30am			<i>Final Presentations</i>