

ECON4335 Syllabus Spring 2010

January 12 2010

Main text:

Xavier Freixas and Jean-Charles Rochet: Microeconomics of banking, second edition, MIT Press 2008 (Sections 3.3, 3.7, 4.3.4, 4.4 and 8.4 can be skipped)

Articles on financial crises:

Carmen M. Reinhart and Kenneth S. Rogoff: Is the 2007 US subprime crisis so different? An international historical comparison, American Economic Review: Papers and proceedings 2008, 98:2, 339-344 <http://www.britannica.com/bps/additionalcontent/18/32543655/Is-the-2007-US-SubPrime-Financial-Crisis-So-Different-An-International-Historical-Comparison>

Carmen M. Reinhart and Kenneth S. Rogoff: The aftermath of financial crises, American Economic Review: Papers and proceedings 2009, 99:2, 466-472 <http://www.atypon-link.com/AEAP/doi/pdf/10.1257/aer.99.2.466?cookieSet=1>

Bent Vale: The Norwegian banking crisis, pp 1-21 in T.G. Moe, J.A. Solheim and B. Vale (ed): The Norwegian Banking Crisis, Norges Bank Occasional Papers no 33, 2004 http://www.norges-bank.no/templates/article_51252.aspx

Erling Steigum: Financial deregulation with a fixed exchange rate: Lessons from Norway's boom-bust cycle and banking crisis, pp 23-75 in T.G. Moe, J.A. Solheim and B. Vale (ed): The Norwegian Banking Crisis, Norges Bank Occasional Papers no 33, 2004 http://www.norges-bank.no/templates/article_51252.aspx

Franklin Allen and Douglas Gale: Bubbles, crises and policy, Oxford Review of Economic Policy, 1999,15:3, 9-18 <http://oxrep.oxfordjournals.org/cgi/reprint/15/3/9.pdf>

Markus K. Brunnermeier: Deciphering the liquidity and credit crunch 2007-2008, Journal of Economic Perspectives, 2009, 23:1, pp.77-100 http://www.princeton.edu/~markus/research/papers/liquidity_credit_crunch.pdf

Douglas W. Diamond and Raghuram G. Rajan: The credit crisis: Conjectures about causes and remedies, American Economic Review: Papers and proceedings 2009, 99:2, 606-610 <http://www.atypon-link.com/AEAP/doi/pdf/10.1257/aer.99.2.606>

Tobias Adrian and Hyun Song Shin: Money, liquidity, and monetary policy, American Economic Review: Papers and proceedings 2009, 99:2, 600-605 <http://www.princeton.edu/~hsshin/www/AERpp29Dec2008.pdf>

Karsten R. Gerdrup: Norges Bank's role in the event of liquidity crises in the financial sector, NorgesBank, Economic Bulletin 2005, :2 , pp 80-89 http://www.norges-bank.no/templates/report_47259.aspx

Other articles

Franklin Allen and Anthony M. Santomero: What do financial intermediaries do?, Journal of Banking and Finance 2001,25,271-294 <http://fic.wharton.upenn.edu/fic/papers/99/9930.pdf>

Douglas W. Diamond: Financial intermediation as delegated monitoring: A simple example, Federal Reserve Bank of Richmond Economic Quarterly 1996, 83:3, 51-66
http://www.richmondfed.org/publications/research/economic_quarterly/1996/summer/pdf/diamond.pdf

Joseph E. Stiglitz and Andrew Weiss: Credit rationing in markets with imperfect information, American Economic Review 1981, 71:3, pp. 393-410
<http://www.jstor.org/stable/pdfplus/1802787.pdf>

Ben S. Bernanke and Alan S. Blinder: Credit, money and aggregate demand, American Economic Review 1988, 78:2, pp 435-439 https://www.u-cursos.cl/ingenieria/2008/2/IN79M/1/material_docente/objeto/189923

Ben S. Bernanke and Mark Gertler: Inside the black box: The credit channel of monetary policy transmission, Journal of Economic Perspectives, 1995, 9:4, 27-48
<http://www.cbe.wvu.edu/Krieg/Econ407/Reading%20List/Bernanke%20and%20Gertler-Inside%20the%20Black%20box%20The%20Credit%20Channel%20of%20Monetary%20Policy.pdf>

Carl E. Walsh: Monetary Theory and Policy, MIT Press 1998 (or later editions), Ch7 "The credit channel of monetary policy", pp. 285-320

João A C Santos: Bank capital regulation in contemporary banking theory: A review of the literature, Bank for International Settlements, BIS Working Paper 2000, 90
[http://www.sbf.unisg.ch/org/sbf/web.nsf/bf9b5a227ab50613c1256a8d003f0349/11db6e43d8a47a5cc1256db0003e76cb/\\$FILE/Thema%2005%20Bank%20Capital%20Regulation%20in%20contemporary%20Banking%20Theory%20-%20Santos%20Joao.pdf](http://www.sbf.unisg.ch/org/sbf/web.nsf/bf9b5a227ab50613c1256a8d003f0349/11db6e43d8a47a5cc1256db0003e76cb/$FILE/Thema%2005%20Bank%20Capital%20Regulation%20in%20contemporary%20Banking%20Theory%20-%20Santos%20Joao.pdf)

Charles Goodhart, Boris Hofmann and Miguel Segoviano: Bank regulation and macroeconomic fluctuations, Oxford Review of Economic Policy, 2004,20:4, 591-615
<http://oxrep.oxfordjournals.org/cgi/reprint/20/4/591>

Kjersti Haugland and Birger Vikøren: Financial stability and monetary policy – theory and practice, Norges Bank, Economic Bulletin 2006,:1, pp 24-31 http://www.norges-bank.no/templates/report_47255.aspx

Lectures and lecture notes:

The content of the lectures is considered part of the syllabus. The same applies to notes that may be distributed with the lectures.

For reference only:

Frederic S. Mishkin: The economics of money, banking and financial markets, 9th edition
AddisonWesley 2009, (Elementary text that explains basic concepts and theories)

Mathias Dewatripont and Jean Tirole: The prudential regulation of banks, MIT-Press 1994