

Economics 234/ MGTECON 612 01, Winter 2018

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1 Introduction

Economics 234 covers topics in modern macroeconomics at an advanced level. We will coordinate the class and give most of the lectures. We will cover some of our own work on fluctuations, including some focusing on the financial crisis and the subsequent prolonged slump. A selection of macroeconomists will give the remaining lectures, generally delving deeply into their own recent work.

You will also prepare a research proposal during the quarter. We will meet with you individually during the quarter to give advice about the proposal. At the end of the quarter, we will meet again and you will present your proposal to us. The proposal may be in any branch of macro including finance and may be a continuation, with substantial value added, of any similar work you did in the 23X courses or other courses.

Completion of Economics 202-204 and 210-212 is a prerequisite. Please consult with one of the instructors if you have equivalent training (first-year PhD micro and macro).

The class will meet Mondays and Wednesdays, 1:30 to 3:20, in Econ 206.

2 Schedule of lecturers

- Sebastián Di Tella, January 8, 10, 17, 22, 24
 - 1) Financial amplification channel: Brunnermeier Sannikov (2013)
 - 2) Financial amplification channel: Di Tella (2017)
 - 3) Continuous-time optimal control
 - 4) Dynamic contracts: Sannikov (2007)
 - 5) Financial Regulation: Di Tella (2016)
 - 6) Financial Regulation: Chari Kehoe (2013)

- Hanno Lustig January 29
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3082668
- Pablo Kurlat, January 31
Expertise in economies with adverse selection
Papers:
<http://web.stanford.edu/~pkurlat/papers/Econometrica%203rd%20Revision.pdf>
http://web.stanford.edu/~pkurlat/papers/SocialValue_AER_revision.pdf
Background:
https://www.jstor.org/stable/3003403?seq=1#page_scan_tab_contents
<http://onlinelibrary.wiley.com/doi/10.3982/ECTA8535/abstract>
- Bob Hall, February 5, 7, 12, 14, 21
Modern developments in labor-macro centered on search-and-matching
- Isaac Sorkin, February 26
paulgp.github.io/bartik_gpss.pdf: Bartik instruments: what, when, why, and how.
- John Cochrane, February 28
Fiscal theory of the price level update, based on
Michelson-Morley, Fisher, and Occam: The Radical Implications of Stable Inflation at
the Zero Bound
Stepping on a Rake: the Fiscal Theory of Monetary Policy
available at faculty.chicagobooth.edu/john.cochrane/
- Ben Hébert, March 5
Moral hazard and debt
people.stanford.edu/bhebert/sites/default/files/moralhazardanddebtv17.pdf

3 Students with documented disabilities

Students who may need an academic accommodation based on the impact of a disability must initiate the request with the Office of Accessible Education (OAE). Professional staff will evaluate the request with required documentation, recommend reasonable accommodations, and prepare an Accommodation Letter for faculty. For students who have disabilities that don't typically change appreciably over time, the letter from the OAE will be for the entire

academic year; other letters will be for the current quarter only. Students should contact the OAE as soon as possible since timely notice is needed to coordinate accommodations. The OAE is located at 563 Salvatierra Walk (phone: 723-1066, URL: <http://oae.stanford.edu>).