EC 741 Topics in Macroeconomics and Monetary Theory

Jianjun Miao

Fall 2012

Schedule  Thursday 5:30-8:30pm at CAS 223 (09/07-10/26)

Office Hours  Tuesday 11:00-12:30 and Wednesday 2:00-3:30pm or by appointment

Contact

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Course Overview  I teach the first half of the course. We will study topics of bubbles and crashes. The goal is to understand the origin and consequences of bubbles and policy implications.

Course Requirements and Grading  The course performance is based on the following weights:

- Class participation 10%
- Presentation: 40%.
Academic Conduct  It is your responsibility to know and understand the provisions of the CAS Academic Conduct Code (http://www.bu.edu/cas/academics/programs/conductcode.html). Cases of suspected academic misconduct will be referred to the Dean’s Office. Any student found guilty of cheating on an exam in this course will receive a minimum penalty of a zero grade for that exam.
Course Outline

1 Surveys


2 Rational Bubbles: Infinite Horizon Models


• Kocherlakota, Narayana, 2009, Bursting Bubbles: Consequences and Cures, mimeo, University of Minnesota.

• Miao, Jianjun, Pengfei Wang, and Zhiwei Xu, A Bayesian DSGE Model of Stock Market Bubbles and Business Cycles

• Miao, Jianjun, Pengfei Wang, and Lifang Xu, Stock Market Bubbles and Unemployment, working paper, Boston University.

• Miao Jianjun and Pengfei Wang, Banking Bubbles and Financial Crisis

• Miao, Jianjun and Pengfei Wang, Sectoral Bubbles and Endogenous Growth

• Miao, Jianjun and Pengfei Wang, Bubbles and Credit Constraints

• Miao, Jianjun and Pengfei Wang, Bubbles and Total Factor Productivity, American Economic Review 102, 82-87.


• Tirole, Jean, 1982, On the Possibility of Speculation under Rational Expectations, Econometrica 50, 1163-1182.

• Werner, Jan, 2012, Rational Asset Pricing Bubbles and Debt Constraints, working paper.

3 Rational Bubbles: OLG Models


• Martin, Alberto and Jaume Ventura, 2010b, Theoretical Notes on Bubbles and the Current Crisis, working paper, Universitat Pompeu Fabra.


4 Speculative Bubbles and Irrational Bubbles


## Schedule

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