Economics 7320, Monetary Economics

Cornell University

Fall 2010

Professor Karl Shell

Prerequisite: Economics 6140 or the consent of the instructor. Economics 7310 is not required, but Economics 7310 veterans are encouraged.

Meetings: Once weekly for 2 to 3 hours. We will usually meet on Fridays from 2:15 P.M. to 5:00 P.M. in Uris Hall 420. There will be exceptional meetings.

Subject: The focus will be on Sunspot Equilibrium as a source of Excess Economic Volatility. Faculty participation is encouraged. This is an important course for students in the macro program.

Requirements: Students will be expected to attend and participate in all lectures. There will be faculty presentations and student presentations. Each student will be required to present (at least) one paper.

Office: Professor Shell's office is in 402 Uris Hall. His formal office hour is Thursdays 4pm to 5pm, but he urges 7320 class participants to visit him at any time with or without appointments. Appointments can be made through Yu Zhang <yz235@cornell.edu>.

Cornell/Penn State Macro Workshop: Econ 7320 students are urged to participate in the CU/PSU macro workshop which meets semi-annually. This fall the meeting will be at Cornell University all day Saturday, October 2 and until late lunch on Sunday, October 3. The workshop sessions will be held in Fleming Lecture Room - 226 Weill Hall, Cornell University.

The scheduled speakers are:

Saroj Bhattrai (Pennsylvania State University),

Alexei Deviatov & Neil Wallace (Pennsylvania State University),

Huberto Ennis (Federal Reserve Bank of Richmond),
Reading List: The reading list is indicative. Not all papers will be covered in detail. Some papers will be added during the semester.

Background Reading


**Finite Horizon models & Limited Market Participation**


**Overlapping Generations Models**


**Strategic Models and Asymmetric Information**


**Indivisibilities**


**Incomplete Markets**


**Growth, Externalities, “Indeterminacy” and Calibration**


**International Finance models**


**Bank Runs**


**Learning**


**Monetary Policy**


Search Models
