

Monetary Economics (PhD)- Spring 2021

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Grading:

- Homework: 20%
- Paper replications: 20%
- Research proposal: 20%
- Referee reports: 20%
- Final: 20% (Covers all topics)

Referee reports: I often take two papers on job market from top 10 universities. Here is this year selected papers:

- Lin, Alessandro " Monetary Policy and Payment-to-Income Limits in Liquidity Traps", Brown University, [here](#)
- Handlan Amy, "Text Shocks and Monetary Surprises: Text Analysis of FOMC Statements with Machine Learning", University of Minnesota, [Here](#)

Other job markets on monetary economics:

- Agrawal, Sneha. "Bank Lending Margins and The Exchange Rate Uncertainty Channel." (2020). New York University.
- Zhang, Mengbo. "Loan Market Power and Monetary Policy Passthrough under Low Interest Rates." (2020). University of California, Los Angeles
- Platzer , Josef and Marcel Peruffo " Secular Drivers of the Natural Rate of Interest in the U.S.", Brown University

Section 1: What is money and price! (13 sessions)

I. Money in OLG Models (2 sessions)

- * Shell, Karl. "Notes on the Economics of Infinity." Journal of Political Economy 79.5 (1971): 1002-1011.
- Balasko, Yves, and Karl Shell. "The overlapping-generations model, I: The case of pure exchange without money." Journal of Economic Theory 23.3 (1980): 281-306.
- Balasko, Yves, and Karl Shell. "The overlapping-generations model. II. The case of pure exchange with money." Journal of Economic Theory 24.1 (1981): 112-142.
- * Gale, David. "Pure exchange equilibrium of dynamic economic models." Journal of Economic Theory 6.1 (1973): 12-36.
- * Sargent, T. and N. Wallace (1981) "Some Unpleasant Monetarist Arithmetic", Federal Reserve Bank of Minneapolis Quarterly Review, Vol. 5, No. 3 pp. 1-17

II. Cash-in-Advanced theory (1 session)

- *Christiano, L. and M. Eichenbaum (1992) "Liquidity Effects and the Monetary Transmission Mechanism", American Economic Review, Vol. 82, p. 346-353.

- *Christiano, L., M. Eichenbaum, C. Evans (1998) "Monetary Policy Shocks: What Have We Learned and to What End?" Handbook of Macroeconomics.
- Fuerst, T. (1992) "Liquidity, Loanable Funds, and Real Activity", Journal of Monetary Economics, Vol. 29, pp. 3-24.
- Ireland, P. (1997) "Sustainable Monetary Policies", Journal of Economic Dynamics and Control, Vol. 22, pp. 87-108.
- Lagos, R. and R. Wright (2002) "A Unified Framework for Monetary Theory and Policy Analysis",
- Townsend, R. (1980) "Models of Money with Spatially Separated Agents", in J. Kareken and N. Wallace, eds., Models of Monetary Economies, Minneapolis: Federal Reserve Bank of Minneapolis, p. 265-303

III. Search Theory of Money (2 sessions)

- Kiyotaki, Nobuhiro, and Randall Wright. "A search-theoretic approach to monetary economics." The American Economic Review (1993): 63-77.
- * Trejos, A. and R. Wright (1995) "Search, Bargaining, Money and Prices", Journal of Political Economy, Vol. 103, p. 118-139.
- Lagos, Ricardo, and Randall Wright. "A unified framework for monetary theory and policy analysis." Journal of political Economy 113.3 (2005): 463-484.
- Gu, Chao, Fabrizio Mattesini, and Randall Wright. "Money and credit redux." Econometrica, (2016)
- (computational) Molico, Miguel. "The distribution of money and prices in search equilibrium." International Economic Review 47.3 (2006): 701-722.
- Williamson, Stephen, and Randall Wright. "New monetarist economics: Models." Handbook of monetary economics. Vol. 3. Elsevier, 2010. 25-96.

IV. Sticky Information (1 session)

- Lucas Jr, Robert E. "Expectations and the Neutrality of Money." Journal of economic theory 4.2 (1972): 103-124.
- (empirical) Carroll, Christopher D. "Macroeconomic expectations of households and professional forecasters." the Quarterly Journal of economics 118.1 (2003): 269-298.
- * Mankiw, N. Gregory, and Ricardo Reis. "Sticky information versus sticky prices: a proposal to replace the New Keynesian Phillips curve." The Quarterly Journal of Economics 117.4 (2002): 1295-1328.
- Mankiw, N. Gregory, and Ricardo Reis. "Imperfect information and aggregate supply." Handbook of monetary economics. Vol. 3. Elsevier, 2010. 183-229.
- Sims, Christopher A. "Rational inattention and monetary economics." Handbook of monetary economics. Vol. 3. Elsevier, 2010. 155-181.
- Woodford, Michael. Imperfect common knowledge and the effects of monetary policy. No. w8673. National Bureau of Economic Research, 2001.

- Coibion, Olivier, Yuriy Gorodnichenko, and Saten Kumar. "How do firms form their expectations? new survey evidence." *American Economic Review* 108.9 (2018): 2671-2713.
- Klenow, Peter J., and Jonathan L. Willis. "Sticky information and sticky prices." *Journal of Monetary Economics* 54 (2007): 79-99.
- Coibion, Olivier, and Yuriy Gorodnichenko. "Information rigidity and the expectations formation process: A simple framework and new facts." *American Economic Review* 105.8 (2015): 2644-78.
- (empirical) Coibion, Olivier, and Yuriy Gorodnichenko. "What can survey forecasts tell us about information rigidities?." *Journal of Political Economy* 120.1 (2012): 116-159.
- Mackowiak, Bartosz, and Mirko Wiederholt. "Optimal sticky prices under rational inattention." *American Economic Review* 99.3 (2009): 769-803.
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V. Sticky Price: New-Keynesian Monetary Theory (3 sessions)

- Taylor, John B. "Aggregate dynamics and staggered contracts." *Journal of political economy* 88.1 (1980): 1-23.
- Calvo, Guillermo A. "Staggered prices in a utility-maximizing framework." *Journal of monetary Economics* 12.3 (1983): 383-398.
- King, Robert G. "The new IS-LM model: language, logic, and limits." *FRB Richmond Economic Quarterly* 86.3 (2000): 45-104.
- Kaplan, Greg, Benjamin Moll, and Giovanni L. Violante. "Monetary policy according to HANK." *American Economic Review* 108.3 (2018): 697-743.
- * McKay, Alisdair, Emi Nakamura, and Jón Steinsson. "The power of forward guidance revisited." *American Economic Review* 106.10 (2016): 3133-58.
- * Blanchard, Olivier, and Jordi Galí. "Real wage rigidities and the New Keynesian model." *Journal of money, credit and banking* 39 (2007): 35-65.
- * (empirical) Christiano, Lawrence J., Martin Eichenbaum, and Charles L. Evans. "Nominal rigidities and the dynamic effects of a shock to monetary policy." *Journal of political Economy* 113.1 (2005): 1-45.
- Bilal, M. and Klenow, P.J. (2004). Some Evidence on the Importance of Sticky Prices. *Journal of Political Economy* 112(5):947-985
- Chari, Varadarajan V., Patrick J. Kehoe, and Ellen R. McGrattan. "Sticky price models of the business cycle: can the contract multiplier solve the persistence problem?." *Econometrica* 68.5 (2000): 1151-1179.

VI. Limited Information/Behavioral (combined with a paper in Optimal Policy)

- Werning, I. (2015). Incomplete Markets and Aggregate Demand. Working Paper 21448, National Bureau of Economic Research,
- Gabaix, Xavier. "A Behavioral New Keynesian Model." *American Economic Review*. 2020

- Angeletos, George-Marios, and Chen Lian. "Forward guidance without common knowledge." *American Economic Review* 108.9 (2018): 2477-2512.
- Farhi, Emmanuel, and Iván Werning. "Monetary policy, bounded rationality, and incomplete markets." *American Economic Review* 109.11 (2019): 3887-3928.

VII. Menu Cost models (1 session)

- * Nakamura, Emi, and Jón Steinsson. "Five facts about prices: A reevaluation of menu cost models." *The Quarterly Journal of Economics* 123.4 (2008): 1415-1464.
- Caplin, Spulber "Menu Costs and the Neutrality of Money" (1987) *QJE*
- Caplin, Leahy "Aggregation and Optimization with state Dependent Pricing" (1997) *Econometrica*
- (empirical) Golosov, Mikhail, and Robert E. Lucas Jr. "Menu costs and Phillips curves." *Journal of Political Economy* 115.2 (2007): 171-199.
- (empirical) Midrigan, Virgiliu. "Menu costs, multiproduct firms, and aggregate fluctuations." *Econometrica* 79.4 (2011): 1139-1180.
- * Klenow, Peter J., and Oleksiy Kryvtsov. "State-dependent or time-dependent pricing: Does it matter for recent US inflation?." *The Quarterly Journal of Economics* 123.3 (2008): 863-904.
- (empirical) Nakamura, Emi, and Jon Steinsson. "Monetary non-neutrality in a multisector menu cost model." *The Quarterly journal of economics* 125.3 (2010): 961-1013.
- (empirical) Alvarez, Fernando, Herve Le Bihan, and Francesco Lippi. "The real effects of monetary shocks in sticky price models: a sufficient statistic approach." *American Economic Review* 106.10 (2016): 2817-51.

VIII. Inflation and Welfare (1 session)

- (transactional demand) Attanasio, Orazio P., Luigi Guiso, and Tullio Jappelli. "The demand for money, financial innovation, and the welfare cost of inflation: An analysis with household data." *Journal of Political Economy* 110.2 (2002): 317-351.
- (money in utility) Lucas Jr, Robert E. "Inflation and welfare." *Econometrica* 68.2 (2000): 247.
- (cash-in-advanced) Gillman, Max. "The welfare cost of inflation in a cash-in-advance economy with costly credit." *Journal of Monetary Economics* 31.1 (1993): 97-115.
- (cash-in-advanced) Dotsey, Michael, and Peter Ireland. "The welfare cost of inflation in general equilibrium." *Journal of Monetary Economics* 37.1 (1996): 29-47.
- (sticky price) Benigno, Pierpaolo, and Michael Woodford. "Inflation stabilization and welfare: The case of a distorted steady state." *Journal of the European Economic Association* 3.6 (2005): 1185-1236.
- (sticky price) De Paoli, Bianca. "Monetary policy and welfare in a small open economy." *Journal of international Economics* 77.1 (2009): 11-22.

- (information) Allcott, Hunt. "The welfare effects of misperceived product costs: Data and calibrations from the automobile market." *American Economic Journal: Economic Policy* 5.3 (2013): 30-66.
- (menu pricing) Burstein, Ariel, and Christian Hellwig. "Welfare costs of inflation in a menu cost model." *American Economic Review* 98.2 (2008): 438-43.
- (menu pricing) * Alvarez, Fernando, et al. "From hyperinflation to stable prices: Argentina's evidence on menu cost models." *The Quarterly Journal of Economics* 134.1 (2018): 451-505.
- (search) Craig, Ben, and Guillaume Rocheteau. "Inflation and welfare: A search approach." *Journal of Money, Credit and Banking* 40.1 (2008): 89-119.
- (search) Chiu, Jonathan, and Miguel Molico. "Uncertainty, inflation, and welfare." *Journal of Money, Credit and Banking* 43 (2011): 487-512.
- (search) Lagos, Ricardo, and Guillaume Rocheteau. "Inflation, output, and welfare." *International Economic Review* 46.2 (2005): 495-522.

IX. Segmented markets (1 session)

- Alvarez, F., Lucas, Jr., R.E. and Weber, W.E. (2001). Interest Rates and Inflation. *American Economic Review Papers and Proceedings* 91(2):219–225
- * Alvarez, F., Atkeson, A. and Kehoe, P.J. (2002). Money, Interest Rates, and Exchange Rates with Endogenously Segmented Markets. *Journal of Political Economy* 110(1):73–112
- Alvarez, F., Atkeson, A. and Edmond, C. (2009). Sluggish Responses of Prices and Inflation to Monetary Shocks in an Inventory Model of Money Demand. *Quarterly Journal of Economics* 124(3):911–967
- Grossman, S. and Weiss, L. (1983). A Transactions-Based Model of the Monetary Transmission Mechanism. *American Economic Review* 73(5):871–880
- Rotemberg, J.J. (1984). A Monetary Equilibrium Model with Transactions Costs. *Journal of Political Economy* 92(1):40–58

X. Fiscal Theory of the Price Level (1 session)

- Cochrane, John H. "A frictionless view of US inflation." *NBER macroeconomics annual* 13 (1998): 323-384.
- Cochrane, John H. "Money as stock." *Journal of Monetary Economics* 52.3 (2005): 501-528.
- Woodford, Michael. "Price-level determinacy without control of a monetary aggregate." *Carnegie-Rochester conference series on public policy*. Vol. 43. North-Holland, 1995
- * Leeper, Eric M., and Campbell Leith. "Understanding inflation as a joint monetary–fiscal phenomenon." *Handbook of Macroeconomics*. Vol. 2. Elsevier, 2016. 2305-2415.
- (Empirical) Davig, Troy, and Eric M. Leeper. "Monetary–fiscal policy interactions and fiscal stimulus." *European Economic Review* 55.2 (2011): 211-227.

Section 2: Monetary policy (8 sessions)

XI. Optimal Monetary Policy (5 sessions)

- (insight) Kocherlakota, Narayana R. "Optimal monetary policy: what we know and what we don't know." *International Economic Review* 46.2 (2005): 715-729.
- (insight) Atkeson, Andrew, and Patrick J. Kehoe. "On the need for a new approach to analyzing monetary policy." *NBER Macroeconomics Annual* 23.1 (2008): 389-426.
- * (Neoclassical) Chari, Varadarajan V., and Patrick J. Kehoe. "Optimal fiscal and monetary policy." *Handbook of macroeconomics* 1 (1999): 1671-1745.
- Khan, Aubhik, Robert G. King, and Alexander L. Wolman. "Optimal monetary policy." *The Review of Economic Studies* 70.4 (2003): 825-860.
- Schmitt-Grohé, Stephanie, and Martín Uribe. "Optimal fiscal and monetary policy under sticky prices." *Journal of economic Theory* 114.2 (2004): 198-230.
- Taylor, John B. (1993) "Discretion versus policy rules in practice," *Carnegie-Rochester Conference Series on Public Policy*, 39(1):195–214
- Taylor, John B. (1999) "The robustness and efficiency of monetary policy rules as guidelines for interest rate setting by the European central bank," *Journal of Monetary Economics*, 43(3):655–679
- * (New-Keynesian) Clarida, Richard, Jordi Gali, and Mark Gertler. "The science of monetary policy: a new Keynesian perspective." *Journal of economic literature* 37.4 (1999): 1661-1707.
- Ravenna, Federico, and Carl E. Walsh. "Optimal monetary policy with the cost channel." *Journal of Monetary Economics* 53.2 (2006): 199-216.
- Orphanides, Athanasios (2004) "Monetary Policy Rules, Macroeconomic Stability, and Inflation: A View from the Trenches," *Journal of Money, Credit and Banking*, 36(2):151–175
- Galí, Jordi. *New perspectives on monetary policy, inflation, and the business cycle*. No. w8767. National Bureau of Economic Research, 2002.
- * (Sticky information) Ball, Laurence, N. Gregory Mankiw, and Ricardo Reis. "Monetary policy for inattentive economies." *Journal of monetary economics* 52.4 (2005): 703-725.
- Reis, Ricardo. "Optimal monetary policy rules in an estimated sticky-information model." *American Economic Journal: Macroeconomics* 1.2 (2009): 1-28.
- Kumar, Saten, et al. *Inflation targeting does not anchor inflation expectations: Evidence from firms in New Zealand*. No. w21814. National Bureau of Economic Research, 2015.
- (segmented market) Williamson, Stephen D. "Monetary policy and distribution." *Journal of monetary economics* 55.6 (2008): 1038-1053.
- *(search) Williamson, Stephen D. "Search, limited participation, and monetary policy." *International Economic Review* 47.1 (2006): 107-128.
- *(behavioral) Gabaix, Xavier. "A Behavioral New Keynesian Model." *American Economic Review*. 2020

XII. Implementation (no session)

- * Svensson, Lars EO. "Inflation targeting as a monetary policy rule." *Journal of monetary economics* 43.3 (1999): 607-654.
- King, M. "What has Inflation Targeting Achieved?" In *The Inflation-Targeting Debate*. Edited by B. Bernanke and M. Woodford. Chicago, IL: University of Chicago Press, 2005. ISBN: 9780226044712.
- Disyatat, Piti. "Monetary policy implementation: Misconceptions and their consequences." (2008).
- * (operation) Bindseil, Ulrich (2016), "Evaluating monetary policy operational frameworks", Jackson Hole Symposium, Federal Reserve Bank of Kansas City

XIII. Liquidity Trap/ Zero Bond Limit (3 session)

- (neoclassical) Tella, Sebastian Di. A neoclassical theory of liquidity traps. No. w24205. National Bureau of Economic Research, 2018.
- (neoclassical) Guerrieri, Veronica, and Guido Lorenzoni. "Credit crises, precautionary savings, and the liquidity trap." *The Quarterly Journal of Economics* 132.3 (2017): 1427-1467.
- Benhabib, Jess, Stephanie Schmitt-Grohé, and Martín Uribe (2002) "Avoiding Liquidity Traps," *Journal of Political Economy*, 110(3):535–563
- Svensson, L. "Escaping from a Liquidity Trap and Deflation: The Foolproof Way and Others." National Bureau of Economic Research Working Paper No. 10195 (December 2003): 1-24
- Auerbach, Alan J. and Maurice Obstfeld (2005) "The Case for Open-Market Purchases in a Liquidity Trap," *The American Economic Review*, 95(1):110–137
- Bernanke, Ben S. and Vincent R. Reinhart (2004) "Conducting Monetary Policy at Very Low Short-Term Interest Rates," *American Economic Review*, 94(2):85–90
- Bernanke, Ben S., Vincent R. Reinhart, and Brian P. Sack (2004) "Monetary Policy Alternatives at the Zero Bound: An Empirical Assessment," *Brookings Papers on Economic Activity*, 35(2):1–100
- Cochrane, J.H. (2017). The New-Keynesian Liquidity Trap. *Journal of Monetary Economics* 92:47–63
- Campbell, J R., Charles L. Evans, Jonas D.M. Fisher, and Alejandro Justiniano (2012) "Macroeconomic Effects of Federal Reserve Forward Guidance," *Brookings Papers on Economic Activity*, 44(1):1–80
- Curdia, Vasco and Michael Woodford (2011) "The central-bank balance sheet as an instrument of monetary policy," *Journal of Monetary Economics*, 58(1):54–79
- * Eggertsson, Gauti B. and Michael Woodford (2003) "The Zero Bound on Interest Rates and Optimal Monetary Policy," *Brookings Papers on Economic Activity*, 2003(1):139–211
- * Gertler, Mark and Peter Karadi (2011) "A model of unconventional monetary policy," *Journal of Monetary Economics*, 58(1):17–34

- * (Search) Williamson, Stephen D. "Liquidity, monetary policy, and the financial crisis: A new monetarist approach." *American Economic Review* 102.6 (2012): 2570-2605.
- Goodfriend, Marvin (2011) "Central banking in the credit turmoil: An assessment of Federal Reserve practice," *Journal of Monetary Economics*, 58(1):1–12 Carnegie Rochester Conference Series on Public Policy: The Future of Central Banking April 16-17, 2010
- Krugman, Paul R. (1998) "It's Baaack: Japan's Slump and the Return of the Liquidity Trap," *Brookings Papers on Economic Activity*, 29(2):137–206
- Sargent, Thomas J. (2011) "Where to Draw Lines: Stability Versus Efficiency," *Economica*, 78(310):197–214
- Wallace, Neil (1981) "A Modigliani-Miller Theorem for Open-Market Operations," *The American Economic Review*, 71(3):267–274
- Walsh, Carl E. (2009) "Using Monetary Policy to Stabilize Economic Activity," *Proceedings of the Jackson Hole Economic Policy Symposium*, 33(1):246–296
- Woodford, Michael (2012) "Methods of policy accommodation at the interest-rate lower bound," *Proceedings of the Jackson Hole Economic Policy Symposium*, 36(1):185– 288

XIV. Fiscal policy with heterogeneous agents (no session)

- Auclert, A., Rognlie, M. and Straub, L. (2018). *The Intertemporal Keynesian Cross*. Working Paper 25020, National Bureau of Economic Research
- * Woodford, M. (2011). *Simple Analytics of the Government Expenditure Multiplier*. *American Economic Journal: Macroeconomics* 3(1):1–35
- Hagedorn, M., Manovskii, I. and Mitman, K. (2017). *The Fiscal Multiplier*. Manuscript
- Christiano, L., Eichenbaum, M. and Rebelo, S. (2011). *When Is the Government Spending Multiplier Large?* *Journal of Political Economy* 119(1):78–121
- McKay, A. and Reis, R. (2016). *The Role of Automatic Stabilizers in the U.S. Business Cycle*. *Econometrica* 84(1):141–194

Section 3: Measuring (10 sessions)

XV. Monetary Policy Transmission (3 sessions)

- * (interest rate channels) Mishkin, Frederic S. *The channels of monetary transmission: lessons for monetary policy*. No. w5464. National Bureau of Economic Research, 1996.
- Woodford, Michael (2001) "Monetary policy in the information economy," *Proceedings of the Jackson Hole Economic Policy Symposium*, 25(1):297–370
- Borio, Claudio, and Haibin Zhu. "Capital regulation, risk-taking and monetary policy: a missing link in the transmission mechanism?." *Journal of Financial stability* 8.4 (2012): 236-251.
- Bernanke, Ben S., and Alan S. Blinder. *Credit, money, and aggregate demand*. No. w2534. National Bureau of Economic Research, 1988.

- (Credit channel) Bernanke, Ben S., and Mark Gertler. "Inside the black box: the credit channel of monetary policy transmission." *Journal of Economic perspectives* 9.4 (1995): 27-48.
- Jordà, Òscar, Moritz Schularick and Alan Taylor. 2017. "The Large and State Dependent Effects of Quasi-Random Monetary Experiments," NBER Working Paper No. 23074
- Ciccarelli, Matteo, Angela Maddaloni, and José-Luis Peydró. "Trusting the bankers: A new look at the credit channel of monetary policy." *Review of Economic Dynamics* 18.4 (2015): 979-1002.
- Ramey, Valerie. "How important is the credit channel in the transmission of monetary policy?." *Carnegie-Rochester Conference Series on Public Policy*. Vol. 39. North-Holland, 1993.
- * (bank lending channel) Kashyap, Anil K., and Jeremy C. Stein. "What do a million observations on banks say about the transmission of monetary policy?." *American Economic Review* 90.3 (2000): 407-428.
- * (balance sheet channel) Jiménez, Gabriel, Steven Ongena, José-Luis Peydró and Jesús Saurina. 2012. "Credit Supply and Monetary Policy: Identifying the Bank Balance-Sheet Channel with Loan Applications," *American Economic Review*, 2301-26.
- * Jiménez, Gabriel, et al. "Hazardous times for monetary policy: What do twenty-three million bank loans say about the effects of monetary policy on credit risk-taking?." *Econometrica* 82.2 (2014): 463-505.
- Schularick, Moritz, and Alan M. Taylor, 2012. "Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises," *American Economic Review*, 1029-61
- Van den Heuvel, Skander J. "The bank capital channel of monetary policy." *The Wharton School, University of Pennsylvania*, mimeo (2002): 2013-14.
- * (deposit channel) Drechsler, Itamar, Alexi Savov, and Philipp Schnabl. "The deposits channel of monetary policy." *The Quarterly Journal of Economics* 132.4 (2017): 1819-1876.
- *(investment channel) Ottonello, Pablo, and Thomas Winberry. "Financial heterogeneity and the investment channel of monetary policy." *Econometrica* 88.6 (2020): 2473-2502.
- * Auclert, Adrien. "Monetary policy and the redistribution channel." *American Economic Review* 109.6 (2019): 2333-67.

XVI. Identification (5 sessions)

- * (VAR) Bernanke, Ben S., and Alan S. Blinder. "The federal funds rate and the channels of monetary transmission." *American Economic Review* 82.4 (1992): 901-921.
- *(Narrative) Romer, Christina D., and David H. Romer. "A new measure of monetary shocks: Derivation and implications." *American Economic Review* 94.4 (2004): 1055-1084.
- (Narrative) Coibion, Olivier. "Are the effects of monetary policy shocks big or small?." *American Economic Journal: Macroeconomics* 4.2 (2012): 1-32.

- *(Recursiveness) Christiano, Lawrence J., Martin Eichenbaum, and Charles L. Evans. "Monetary policy shocks: What have we learned and to what end?." Handbook of macroeconomics 1 (1999): 65-148.
- (Recursiveness) Barakchian, S. Mahdi, and Christopher Crowe. "Monetary policy matters: Evidence from new shocks data." Journal of Monetary Economics 60.8 (2013): 950-966.
- * (Sign Restriction) Uhlig, Harald. "What are the effects of monetary policy on output? Results from an agnostic identification procedure." Journal of Monetary Economics 52.2 (2005): 381-419.
- (Sign Restriction) Baumeister, Christiane, and James D. Hamilton. "Sign restrictions, structural vector autoregressions, and useful prior information." Econometrica 83.5 (2015): 1963-1999.
- (SVAR) Sims, Christopher A. "Interpreting the macroeconomic time series facts: The effects of monetary policy." European economic review 36.5 (1992): 975-1000.
- (SVAR) Gertler, Mark, and Peter Karadi. "Monetary policy surprises, credit costs, and economic activity." American Economic Journal: Macroeconomics 7.1 (2015): 44-76.
- * (FAVAR) Bernanke, Ben S., Jean Boivin, and Piotr Elias. "Measuring the effects of monetary policy: a factor-augmented vector autoregressive (FAVAR) approach." The Quarterly journal of economics 120.1 (2005): 387-422.
- *(DSGE) Smets, Frank, and Rafael Wouters. "Shocks and frictions in US business cycles: A Bayesian DSGE approach." American economic review 97.3 (2007): 586-606.
- (DSGE) (empirical) Christiano, Lawrence J., Martin Eichenbaum, and Charles L. Evans. "Nominal rigidities and the dynamic effects of a shock to monetary policy." Journal of political Economy 113.1 (2005): 1-45.
- Ramey, V.A. (2016). Chapter 2 - Macroeconomic Shocks and Their Propagation. In: J.B. Taylor and H. Uhlig (eds.) Handbook of Macroeconomics, vol. 2, pp. 71–162. Elsevier

XVII. Nature of Shocks (1 sessions)

- * Chari, Varadarajan V., Patrick J. Kehoe, and Ellen R. McGrattan. "New Keynesian models: not yet useful for policy analysis." American Economic Journal: Macroeconomics 1.1 (2009): 242-66.
- Canova, Fabio, and Matthias Paustian. "Business cycle measurement with some theory." Journal of Monetary Economics 58.4 (2011): 345-361.

XVIII. Indeterminacy (1 session)

- Schmitt-Grohé, Stephanie and Martín Uribe (2000) "Price level determinacy and monetary policy under a balanced-budget requirement," Journal of Monetary Economics, 45(1):211–246
- Clarida, Richard, Jordi Gali, and Mark Gertler. "Monetary policy rules and macroeconomic stability: evidence and some theory." The Quarterly journal of economics 115.1 (2000): 147-180.

- * Lubik, Thomas A., and Frank Schorfheide. "Testing for indeterminacy: An application to US monetary policy." *American Economic Review* 94.1 (2004): 190-217.
- * Beyer, Andreas, and Roger EA Farmer. "Testing for indeterminacy: An application to US monetary policy: Comment." *American Economic Review* 97.1 (2007): 524-529.
- * Lubik, Thomas A., and Frank Schorfheide. "Testing for indeterminacy: An application to US monetary policy: Reply." *American Economic Review* 97.1 (2007): 530-533.
- McCallum, Bennett T. (1981) "Price level determinacy with an interest rate policy rule and rational expectations," *Journal of Monetary Economics*, 8(3):319–329
- * Cochrane, John H. (2011a) "Determinacy and Identification with Taylor Rules," *Journal of Political Economy*, 119(3):565–615
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Section 4: Other Aspect of Monetary Policy

XIX. Determinants of long-term natural rates (no session)

- *Eggertsson, G.B., Mehrotra, N.R. and Robbins, J.A. (2019). A Model of Secular Stagnation: Theory and Quantitative Evaluation. *American Economic Journal: Macroeconomics* 11(1):1–48
- Farhi, E. and Gourio, F. (2018). Accounting for Macro-Finance Trends: Market Power, Intangibles, and Risk Premia. Working Paper 25282, National Bureau of Economic Research
- Eggertsson, G.B., Robbins, J.A. and Wold, E.G. (2018). Kaldor and Piketty's Facts: The Rise of Monopoly Power in the United States. Working Paper 24287, National Bureau of Economic Research

XX. Optimal policy with heterogeneous agents (no sessions)

- * Bhandari, A., Evans, D., Golosov, M. and Sargent, T.J. (2018). Inequality, Business Cycles, and Monetary-Fiscal Policy. Working Paper 24710, National Bureau of Economic Research,
- Nuño, G. and Thomas, C. (2016). Optimal Monetary Policy with Heterogeneous Agents
- McKay, A. and Reis, R. (2016a). Optimal Automatic Stabilizers. Working Paper 22359, National Bureau of Economic Research
- Kekre, R. (2018). Unemployment Insurance in Macroeconomic Stabilization. Manuscript Monetary policy and redistribution

XXI. Optimal policy with aggregate demand externalities (no sessions)

- *Farhi, E. and Werning, I. (2016). A Theory of Macroprudential Policies in the Presence of Nominal Rigidities. *Econometrica* 84(5):1645–1704
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