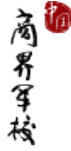




PHBS

北京大学汇丰商学院



Course Code

Course Name: Monetary Economics-PhD Module 1, Academic Year 2023-2024

Course Information

Instructor: Yicheng Wang

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Classes:

Lectures: TBA

Venue: PHBS Building, Room TBA

Course Website:

If any.

1. Course Description

1.1 Context

Course overview:

This is a PhD-level topic course. We focus on business cycle studies, including basic models and extensions, model solutions and applications, and also related empirical studies.

1.2 Textbooks and Reading Materials

Related books:

“Advanced Macroeconomics”, David Romer

“Monetary Policy, Business Cycles and Inflation”, Jordi Gali, 2017.

“Introduction to Modern Economic Growth”, Daron Acemoglu, 2009.

“Recursive Macroeconomic Theory”, Lars Ljungqvist, Thomas J. Sargent, 2012.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (YES with details or NO)
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Team work/Problem sets
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Team work/Problem sets
	2.2. Students will be able to apply leadership theories and related skills.	Team work/Problem sets
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Problem sets Exams
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Problem sets Exams
	5.3. Our students will demonstrate competency in critical thinking.	Problem sets Exams

2.2 Course specific objectives

The main purpose of this course is to provide a rigorous treatment on modern macroeconomics, business cycle studies, and a solid foundation to students, so that they could use these models and tools to understand complicated real data and various empirical facts. Students will be able to learn critical thinking and analytic skills for macroeconomics.

2.3 Assessment/Grading Details

Assessment component	Weights and Evaluations
Home works	50% of final grading; Teamwork and group discussion are encouraged. Students should submit their own, separate solutions.
Paper Reports, Presentations	50% of final grading

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement;

or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule (tentative)

Weeks 1-2 – Real Business Cycle Models: Baseline Model, Extensions, Solutions, Using Dynare

Related readings:

Production, growth and business cycles: I. The basic neoclassical model
RG King, CI Plosser, ST Rebelo - Journal of monetary Economics, 1988

Resuscitating real business cycles
RG King, ST Rebelo - Handbook of macroeconomics, 1999

Indivisible labor and the business cycle
GD Hansen - Journal of monetary Economics, 1985

Capital utilization and returns to scale
C Burnside, M Eichenbaum, NBER macroeconomics, 1995.

The role of investment-specific technological change in the business cycle
J Greenwood, Z Hercowitz, P Krusell - European Economic Review, 2000.

Kehoe, Patrick, Virgiliu Midrigan and Elena Pastorino, 2018, "Evolution of Modern Business Cycle Models: Accounting for the Great Recession," Journal of Economic Perspectives, Summer.

Weeks 3-4 – NK Models: Baseline Model, Extensions, Solutions, Dynare

Related readings:

“Monetary Policy, Business Cycles and Inflation”, Jordi Gali, 2017, Chapter 2 and 3.

Resurrecting the role of the product market wedge in recessions
M Bilts, PJ Klenow, BA Malin - American Economic Review, 2018.

Bilts, Mark and Peter J. Klenow. 2004. “Some Evidence on the Importance of Sticky Prices.” Journal of Political Economy, Vol. 112, pp. 947-985.

Gali, Jordi, 2018, "The State of New Keynesian Economics: A Partial Assessment," *Journal of Economic Perspectives*, Summer.

Eggertsson, Gauti and Michael Woodford, 2003, "Optimal Monetary Policy in a Liquidity Trap," *Brookings Papers on Economic Activity*

Christiano, Lawrence, Martin Eichenbaum, and Charles Evans, 2005, "Nominal Rigidities and the Dynamic Effects of Monetary Policy Shocks," *Journal of Political Economy*.

Christiano, Lawrence, Martin Eichenbaum, and Mathias Trabandt, 2018, "On DSGE Models," *Journal of Economic Perspectives*, Summer.

Gertler, Mark and Nobuhiro Kiyotaki, 2011, "Financial Intermediation and Credit Policy in Business Cycle Analysis," *Handbook of Monetary Economics*

Gertler, Mark and Simon Gilchrist, 2018, "What Happened: Financial Factors in the Great Recession," *Journal of Economic Perspectives*, Summer.

Weeks 5-7– Empirical Tests and Related Studies:

Testing Ricardian Households/Testing Importance of Financial Frictions, and so on

Consumers React to Anticipated Income Changes; Hsieh (2003, *AER*)

Do Liquidity Constraints and Interest Rates Matter for Consumer Behavior? Gross and Souleles (2002, *QJE*)

Household Expenditure and the Income Tax Rebates of 2001. Johnson, Parker and Souleles (2006, *AER*)

More on household balance sheets and consumption dynamics:

Baker, S. (2018). Debt and the Consumption Response to Household Income Shocks: Validation and Application of Linked Financial Account Data. *Journal of Political Economy*, 126(4), 1504-1557.

Kaplan, G., Mitman, K., & Violante, G. (2020). Non-durable Consumption and Housing Net Worth in the Great Recession: Evidence from Easily Accessible Data. *Journal of Public Economics*.

Mian, A. & Sufi, A. (2011). House Prices, Home Equity Based Borrowing, and the U.S. Household Leverage Crisis. *American Economic Review*, 101, 2132-2156.

Mian, A., Rao, K., & Sufi, A. (2013). Household Balance Sheets, Consumption, and the Economic Slump. *Quarterly Journal of Economics*, 128(4), 1687 - 1726.

Stroebel, J., & Vavra, J. (2018). House Prices, Local Demand, and Retail Prices. *Journal of Political Economy*.

Berger, D., Guerrieri, V., Lorenzoni, G., & Vavra, J. (2018). House Prices and Consumer Spending. *Review of Economic Studies*, 85(3), 1502 - 1542.

Weeks 8-9 –Other Selected Frontier Papers (to be added)

Auclert (2019). Monetary policy and the redistribution channel. *American Economic Review*, 2333--67.

The New Keynesian transmission mechanism: A heterogeneous-agent perspective
T Broer, NJ Harbo Hansen, P Krusell, *The Review of Economic Studies*, 2020.

4. Miscellaneous

All relevant materials (e.g., lecture slides and other reference materials) will be distributed in class or uploaded to the course website.