

READING LIST FOR MACROECONOMICS

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*This reading list is prepared for the Master in Financial Economics at Oxford Said Business School

Required Readings: ***

Week 6: Labour Market and Unemployment

- *** Advanced Macroeconomics Chapter 11 - David Romer (Romer 2018)
- The Economist (2023), To understand America's job market, look beyond unemployed workers (Economist 2023b)
- *** Equilibrium Unemployment Theory - Pissarides (Pissarides 2000)
- The Fair Wage-Effort Hypothesis and Unemployment - Akerlof and Yellen (Akerlof and Yellen 1990)
- Equilibrium Unemployment as a Worker Discipline Device - Shapiro and Stiglitz (Shapiro and Stiglitz 1984)
- *** Indivisible Labor and the Business Cycle - Hansen (Hansen 1985)
- *** Moving Back Home: Insurance against Labor Market Risk - Kaplan (Kaplan 2012)

Week 7: Financial Frictions and Financial Crises

- *** Advanced Macroeconomics Chapter 10 - David Romer (Romer 2018)
- Government policy, credit markets and economic activity - Christiano and Ikeda (Christiano and Ikeda 2011)
- Why America's banks need more capital - The Economist (Economist 2023c)
- *** Financial Intermediation and Credit Policy in Business Cycle Analysis - Gertler and Kiyotaki (M. Gertler and Kiyotaki 2010)
- *** A Model of Unconventional Monetary Policy - Gertler and Karadi (Mark Gertler and Karadi 2011)
- *** The Financial Accelerator in a Quantitative Business Cycle Framework - Bernanke (Bernanke 1999)
- *** Four ways to fix the bank problem - Wolf (Wolf 2023)
- *** The Diamond-Dybvig Model of Bank Runs - Diamond and Dybvig (Diamond and Dybvig 1983)
- Banks and Liquidity Creation: A Simple Exposition of the Diamond-Dybvig Model - Diamond (Diamond 2007)
- *** Collective Moral Hazard, Maturity Mismatch, and Systemic Bailouts - Farhi and Tirole (Farhi and Tirole 2012)
- *** Deposit Insurance and Bank Regulation: A Partial-Equilibrium Exposition - Kareken and Wallace (Kareken and Wallace 1978)

Week 8: Budget Deficits and Sovereign Debt Crises

- *** Advanced Macroeconomics Chapter 13 - David Romer (Romer 2018)
- America faces a debt nightmare - The Economist (Economist 2023a)
- The Federal Budget Outlook - Auerbach and Gale (Auerbach and Gale 2023)
- *** Why are Stabilizations Delayed? - Alesina and Drazen (Alesina and Drazen 1991)

- *** On the Determination of the Public Debt - Barro (Barro 1979)
- Tax Smoothing - QuantEcon (QuantEcon 2024) - For those interested in computational economics -
- *** Self-fulfilling Debt Crises - Cole and Kehoe (Cole and Kehoe 2000)
- *** Bargaining over Reform - Hsieh (Hsieh 2000)
- *** Voting on the Budget Deficit - Tabellini and Alesina (Tabellini and Alesina 1990)

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