

Macro I reading list – Fall 2005

Professor Tyler Cowen, x2312, 4910, tcowen@gmu.edu.

Books: J. Bradford DeLong: Intermediate Macroeconomics, and Paul Blustein, And the Money Kept Rolling in (and Out).

Real Business Cycles

Stadler, George. “Real Business Cycles,” *Journal of Economic Literature*, December 1994, 1750-1783.

Long, John B. and Plosser, Charles. “Real Business Cycles,” *Journal of Political Economy*, 1983, 39-69.

Barsky, Robert and Miron, Jeffrey. “The Seasonal Cycle and the Business Cycle,” *Journal of Political Economy*, 1989, 503-534.

Prescott-Summers debate, *Quarterly Review*, Minneapolis Fed., “Theory Ahead of Business Cycle Measurement,” “Some Skeptical Observations on Real Business Cycle Theory,” and “Response to a Skeptic.”

Bils, Mark. “The Cyclical Behavior of Marginal Cost and Price,” *American Economic Review*, 1987, 838-55.

Romer, Christina. “Changes in Business Cycles,” *Journal of Economic Perspectives*, Spring 1999, 23-45.

Black, Fischer. “Noise,” *Journal of Finance*, 1986.

Mehrling, Perry. “Understanding Fischer Black,” you can find this paper at:
http://www.econ.barnard.columbia.edu/faculty/mehrling/understanding_fischer_black.pdf

Finance and interest rates

Ross, Stephen. “Finance,” In *The New Palgrave*, pp.322-336.

Chapters six and seven, “Objects of Choice,” and “Market Equilibrium”.

Jagannathan, Ravi and McGrattan, Ellen. "The CAPM Debate." Federal Reserve Bank of Minneapolis, Fall 1995, 2-17.

Campbell, John Y. and Vuolteenaho, Tuomo, "Bad Beta, Good Beta," American Economic Review, December 2004, 1249-1275.

Campbell, John, "Some Lessons for the Yield Curve," Journal of Economic Perspectives, Summer 1995, 129-152.

Siegel, Jeremy and Thaler, Richard. "The Equity Premium Puzzle," Journal of Economic Perspectives, Winter 1997, 191-200.

Kocherlakota, Narayana R. "The Equity Premium: It's Still a Puzzle," Journal of Economic Literature, March 1996, 42-71.

Lee, Charles, Shleifer, Andrei, and Thaler, Richard. "Anomalies: Closed End Mutual Funds," Journal of Economic Perspectives, Fall 1990, 153-164.

Keynesian Economics

"Why Keynesianism Triumphed Or, Could So Many Keynesians Have Been Wrong?", Critical Review, Summer/Fall 1989, 518-530.

"Symposium: Keynesian Economics Today," Journal of Economic Perspectives, Winter 1993, 3-82.

"Is There a Core of Practical Macroeconomics That We Should All Believe?" American Economic Review, symposium, May 1997, 230-246.

Taylor, John. "Reassessing Discretionary Fiscal Policy," Journal of Economic Perspectives, Summer 2000, 21-36.

Bernheim, B. Douglas. "A Neoclassical Perspective on Budget Deficits," Journal of Economic Perspectives, Spring 1989, 55-72.

Eisner, Robert. "Budget Deficits: Rhetoric and Reality," Journal of Economic Perspectives, Spring 1989, 73-93.

Stiglitz, Joseph E. "The Causes and Consequences of the Dependence of Quality on Price." Journal of Economic Literature, March 1987, 1-48.

Mortensen, Dale and Pissarides, Christopher. "Job Creation and Job Destruction in the Theory of Unemployment," Review of Economics Studies, 1994.

Hall, Robert E. "Employment Fluctuations with Equilibrium Wage Stickiness," *American Economic Review*, March 2005, 50-65.

Summers, Lawrence. "The Scientific Illusion in Empirical Macroeconomics," *Scandinavian Journal of Economics*, 1991, 129-148.

Monetary Policy

Blinder, Alan. "What Central Bankers Can Learn From Academics – and Vice Versa," *Journal of Economic Perspectives*, Spring 1997, 3-20.

Bernanke, Ben and Mishkin, F. "Inflation Targeting," *Journal of Economic Perspectives*, Spring 1997, 97-117.

Aiyagari, S. Rao, "Deflating the Case for Zero Inflation," *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1990, 2-11.

"Symposium on the Monetary Transmission Mechanism," *Journal of Economic Perspectives*, Fall 1995, 3-96.

Roberds, William. "What Hath the Fed Wrought? Interest Rate Smoothing in Theory and Practice," *Federal Reserve Bank of Atlanta, Economic Review*, January/February 1992.

Ireland, Peter. "The Role of Countercyclical Monetary Policy," *Journal of Political Economy*, 1996, 704-724.

Shafir, Eldar, Diamond, Peter, and Tversky, Amos. "Money Illusion," *Quarterly Journal of Economics*, May 1997, 341-374.

Caplin, Andrew and Spulber, Daniel. "Menu Costs and the Neutrality of Money," *Quarterly Journal of Economics*, November 1987, 703-725.

Sargent, Thomas and Wallace, Neil. "Some Unpleasant Monetarist Arithmetic," *Federal Reserve Bank of Minneapolis Quarterly Review*, 1985, 1-17.

Christiano, Lawrence and Fitzgerald, Terry. "Understanding the Fiscal Theory of the Price Level," at <http://www.faculty.econ.northwestern.edu/faculty/christiano/research/fiscal/review5.pdf>.

Wallace, Neil. "A Legal Restrictions Theory of the Demand for "Money" and the Role of Monetary Policy," *Federal Reserve Bank of Minneapolis Quarterly Review*, Winter 1983.

Posen, Adam. "Why Central Bank Independence Does Not Cause Low Inflation: There is No Institutional Fix for Politics," in *Finance and the International Economy*, edited by Richard O'Brien, 1993.

Garrison, Roger, "The Austrian Theory of the Business Cycle," At <http://www.auburn.edu/~garrir/a1abc.htm>

Krugman, Paul. "The Hangover Theory," at <http://www.slate.com/id/9593>

Cowen, Tyler. Risk and Business Cycles, chapter three.

Savings and social security

Hubbard, R. Glenn and Skinner, Jonathan. "Assessing the Effectiveness of Savings Incentives." Journal of Economic Perspectives, Fall 1996, 73-90.

Choi, Laibson, Madrian, and Metrick, "Optimal Defaults," American Economic Review, May 2003, also at <http://post.economics.harvard.edu/faculty/laibson/papers/optimaldefaults.pdf>

Samwick, Andrew. Voxbaby weblog, read the entries on social security.

International Economics

Overview: <http://www.cato.org/pubs/journal/currentissue.html>

Current issues: http://www.roubiniglobal.com/archives/2005/05/global_imbalanc.html

Lane, Philip. "The New Open Economy Macroeconomics: A Survey," at <http://www.sciencedirect.com/science/article/B6V6D-42VM87T-2/2/90a4e741bac9c608cfc1bb92653103e1>

"If I Believed in Austrian Business Cycle Theory," by Tyler Cowen, on MarginalRevolution.com.

Brad Setser's WebLog.

Dornbusch, Rudiger. "Purchasing Power Parity," in The New Palgrave.

Friedman, Milton. "The Case for Flexible Exchange Rates." In Essays in Positive Economics, 1953, University of Chicago Press.

The World: Japan, China, Europe, and the Developing World

Krugman, Paul R. "It's Baaack: Japan's Slump and the Return of the Liquidity Trap," Brookings Papers on Economic Activity, 1998, 29, 2, 137-87.

Kashyap, Anil K. "Sorting out Japan's Financial Crisis," Federal Reserve Bank of Chicago Economic Perspectives, 2002, 26, 4, 42-55.

More to follow...

History

Bordo, Michael D. "Essays in Exploration: A Survey of the Literature," Explorations in Economic History, 1986, 339-415.

"Symposium: The Great Depression," Journal of Economic Perspectives, Spring 1993, 3-102.

Romer, Christina H "What Ended the Great Depression?" Journal of Economic History, 1992, 52, 4, 757-84.

Here is a searchable link to Brad DeLong's website: http://www.j-bradford-delong.net/movable_type/2005-3_archives/000084.html