



Course program and reading list

Semester 5 Year 2019

School: Arison School of Business MA in Financial Economics

Research workshop in monetary economics, digital currencies and

Lecturer:

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Course No.:	Course Type :	Weekly Hours :	Credit:
29063	Elective	4	2

Course Requirements :	Group Code :	Language:
Final Exam	195290631	English



Course Description

The workshop will presents overviews and sample papers in the following four active economics and finance research areas. The syllabus should be viewed as an upper bound for the materials to be covered.

1. The evolution of central banking and monetary policymaking institutions between the collapse of the Bretton-Woods system and the present.
2. The evolution of thought about the role of aggregate fiscal policy between the sixties and the present.
3. An overview of blockchain technologies, distributed ledgers, welfare and political economy aspects of cryptocurrencies, bitcoin and other private and public digital currencies.
4. The formation of expectations in economics and finance: An overview of adaptive, rational, diagnostic expectations and the permanent-transitory confusion.



Course Goals

The objective of this course is to expose students interested in writing a master thesis, potentially developing it a later stage into a Phd thesis, to some relevant and active research topics in macro-economic and finance..



Grading

There will be no final exam but students will have to make short presentations of an issue related to an article of their choosing from the readings.

To be eligible for a passing grade students are required to attend at least 5 classes.



Reading List

Topics and Readings

1. The evolution of central banks and monetary policymaking institutions between the collapse of the Bretton-Woods system and the present.

Cukierman A. (2018), "Central Banks", Thompson W. (ed.), Oxford Research Encyclopedia of Politics, Oxford University Press, February. [https://www.tau.ac.il/~alexcuk/pdf/Published%20version%20Feb%202018%20\(acrefore-9780190228637-e-64\).pdf](https://www.tau.ac.il/~alexcuk/pdf/Published%20version%20Feb%202018%20(acrefore-9780190228637-e-64).pdf)

Cukierman A. (2019), "The Impact of the Global Financial Crisis on Central Banking", in Mayes D., Siklos P. and J.E. Sturm (eds.), Oxford Handbook on the Economics of Central Banking, Oxford University Press. <https://www.tau.ac.il/~alexcuk/pdf/Published%20online%20version%20oxfordhb-9780190626198-e-6.pdf>

2. The evolution of thought about the role of aggregate fiscal policy between the sixties and the present

Blanchard O. (2019), "Public Debt and Low Interest rates", American Economic Review, 109(4), 1197-1229. April. <https://www.aeaweb.org/articles?id=10.1257/aer.109.4.1197>

Blanchard O. (2019), "Public Debt: Fiscal and Welfare Costs in a Time of Low Interest Rates", Policy Brief 19-2, Peterson Institute for International Economics, February. <https://piie.com/publications/policy-briefs/public-debt-fiscal-and-welfare-costs-time-low-interest-rates>

Bean C., C. Broda, I. Takatoshi and R. Krozner, (2015), Low for long? Causes and Consequences of Persistently Low Interest Rates, Geneva Report on the World Economy 17, ICMB and CEPR, September. Chapters 1 and 2. https://voxeu.org/sites/default/files/file/Geneva17_28sept.pdf

3. An overview of blockchain technologies, distributed ledgers, welfare and political economy aspects of cryptocurrencies, bitcoin and other private and public digital currencies.

Casey M., J. Crane, G. Gensler, S. Johnson and N. Narula (2018), *The Impact of Blockchain Technology on Finance: A Catalyst for Change*, Geneva Reports on the World Economy, 21.

<https://voxeu.org/content/impact-blockchain-technology-finance-catalyst-change>

Cukierman A. (2019), "Welfare and Political Economy Aspects of a Central Bank Digital Currency", CEPR DP 13728, May.

<https://www.tau.ac.il/~alexcuk/pdf/CEPR-DP13728.pdf>

4. The formation of expectations in economics and finance: An overview of adaptive, rational, diagnostic expectations and the permanent-transitory confusion.

Cukierman A., T. Lustenberger and A. Meltzer (Forthcoming), "The Permanent-Transitory Confusion: Implications for Tests of Market Efficiency and for Expected Inflation during Turbulent and Tranquil times", in Young W., A. Arnon and K. van der Beek (eds.), *Expectations – Theory and Applications in Historical Perspectives*, Springer Verlag.

https://www.tau.ac.il/~alexcuk/pdf/paper_springer_style.pdf

Bordalo P., N. Gennaiolli and A. Shleifer (2017), "Diagnostic Expectations and Credit Cycles", *The Journal of Finance*, 73(1), 199–227, February. <https://onlinelibrary.wiley.com/doi/full/10.1111/jofi.12586>