Topics in Macroeconomics V: Financial Markets

2017-2018 Academic Year
Master of Research in Economics, Finance and Management

1. Description of the subject
- Topics in Macroeconomics II
- Total credits: 3 ECTS
- Type of subject: Optative
- Department of Economics and Business
- Teaching team: Alberto Martin

Code: 32084
Workload: 75 hours
Term: 2nd
2. Teaching guide

Introduction

This course explores what we know about the origins and effects of asset bubbles. The first part reviews empirical evidence on asset prices and on the extent to which they follow present-value relations. The second and third parts develop a workhorse model to think about asset bubbles. The fourth part derives applications and policy implications of this workhorse model. The final part, which will be covered if time allows, explores alternative approaches to think about asset bubbles.

Contents

This is the tentative reading list for the course, which will be updated as the course progresses.

I. Some Evidence on Asset Pricing


II. Rational Bubbles: “Traditional” Models


**III. Rational Bubbles: “New” Models**


**IV. Macroeconomic Applications and Policy**


V. Alternative Approaches


Teaching methodology

Students are expected to read required papers, which will be analyzed in detail and discussed in class.

Assessment and Grading System

The grade will be based on the student’s performance in the final exam.