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Advanced Macroeconomics IV (Ph.D.)
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Grading

1/3 Paper presentation

2/3 Research paper proposal: abstract/intro/research outline

This is a topics course spanning themes in monetary and financial macroeconomics.

Part 1 – Heterogeneity, Monetary Policy and Business Cycles

- From representative-agent (RA) to heterogeneous-agent (HA) New Keynesian models
- TANK (two-agent) vs HANK (heterogenous agent) vs PRANK (pseudo-representative agent) vs THANK (tractable heterogenous agent) models
- Imperfect insurance, monetary policy and the business cycle
- Liquidity traps and unconventional monetary policy in RANK and HANK models.

Acharya S. and K. Dogra, “Understanding HANK: Insights from a PRANK”, *Econometrica* (2020)

Bilbiie F. “The New Keynesian Cross”, *Journal of Monetary Economics* (2020)

Bilbiie F. “Monetary Policy and Heterogeneity: An Analytical Framework”, (2020) Mimeo Univ. of Lausanne.

Billbiie F. and T. Monacelli “Stabilization vs. Redistribution: the Optimal Monetary - Fiscal Mix”, Mimeo 2020.

Patterson C. “The Matching Multiplier and the Amplification of Recessions”, (2019) Mimeo Chicago Booth

Part 2: Financial Heterogeneity

This section introduces to models with financial imperfections and heterogenous financial intermediaries.

Gertler, M. and P. Karadi (2011): “A Model of Unconventional Monetary Policy”, *Journal of Monetary Economics*, 58(1), 17–34.

Gertler, M. and N. Kiyotaki (2010): “Financial Intermediation and Credit Policy in Business Cycle Analysis”, *Handbook of Monetary Economics*, 3, 547–599.

Gertler, M., N. Kiyotaki, and A. Prestipino (2016): “Wholesale Banking and Bank Runs in Macroeconomic Modelling of Financial Crises”, *Handbook of Macroeconomics*, 2.

Jamilov, R. (2020): “A Macroeconomic Model with Heterogeneous Banks”, *Working Paper London Business School*.

Jamilov R. and T. Monacelli, “Bewley Banks”, Mimeo LBS and Bocconi 2021