Northwestern University — Department of Economics — Winter 2019

416 Advanced Macro
Guido Lorenzoni’s part

Syllabus

This part of the course covers topics related to modeling financial crises and the structural features of an economy that make it susceptible to crises. Emphasis will be given to various forms of non-linear dynamics.

1 The policy debate: panic or deleveraging?


2 Models of panics


3 Amplification and propagation in financial accelerator models


4 Nonlinear dynamics


5 Dynamics of expectations

- Pedro Bordalo, Nicola Gennaioli, Spencer Yongwook Kwon, and Andrei Shleifer. Diagnostic bubbles, Working Paper

6 The policy debate: what are the risks of high public debt?


7 Dynamics and crises in public debt markets