Instructor: Vic Valcarcel
2.516 Green Hall
Web: [vicvalc (google.com)]
Email: victor.valcarcel@utdallas.edu
UTD Syllabus Policies: https://coursebook.utdallas.edu/syllabus-policies

ECONOMICS 7318.501
Applied Macroeconomics
Fall 2022

Course Description: This is an advanced PhD-level course in macroeconomics. It focuses on gaining knowledge toward research frontier. Empirical techniques aimed at analysis of the structure of the economy from time-series data are surveyed. The econometric models emphasize evaluation and testing of macroeconomic and monetary theories. However, the structural econometric techniques surveyed in this course could have wider applicability outside macroeconomics. Topics include state space modeling and structural vector autoregression (SVAR) models. Methods for using dynamic stochastic general equilibrium (DSGE) models will also be addressed. Prerequisite: ECON 7309 and ECON 7302 or instructor consent required.

Objectives: The primary objective of the course is to discuss current issues in macroeconomics and monetary economics and develop the necessary tools to conduct original research in empirical macroeconomics with special attention to monetary economics and financial macroeconomics. This course will be structured as a survey. This implies that it will be reading-writing intensive.

Format: Traditional. There will be some class periods set aside for colloquium and research presentations. To accommodate this, some taped lectures will be provided in E-Learning for asynchronous consumption.

Expectations: This is a course designed to get you closer to the research frontier in applied macroeconomics broadly and, more specifically, monetary economics and financial markets. If you are matriculated in this course, I am considering you are rapidly transitioning from a student to a researcher. The burden of discovery is always on the researcher (i.e. it is up to you to apply yourself.) I will not tolerate passive consumption of materials. You need to demonstrate active production. To that end:

-1. **You are expected to take notes for yourself in lectures and presentations.** Sometimes a researcher presenting at a conference you attend may provide you with supporting materials, notes, slides, code, published articles, working papers…. Importantly, she/he does not owe you any of these. So, it is up to you to find ways to absorb and curate the information without disrupting the presenter or demanding more than whatever they are willing to share. This semester, consider me a researcher presenting work—not a teacher offloading lectures.

-2. **You are expected to nurture your own trial-and-error. (i.e. work out any mathematics/coding problems on your own**.) If you get stumped along the way, go back to the beginning, and attack the problem again. If you get stumped again, rinse and repeat. If after that you're still lost, you can come to me--not for the solution…but for some feedback, which you are not guaranteed to find helpful. Trial-and-error is a crucial part of research. Progress stops when we get discouraged at the first sign of trouble.

-3. **You are expected to adhere to deadlines.** Self-explanatory.

Class Recordings:

Lectures and presentations will not be recorded. Any audio/video recordings provided in the course will be taped outside of the scheduled class meeting.

Outcomes:

Leaning Goals	Course Outcomes	Assessment Items
This course helps you achieve the following learning goals	***On successful completion, you should be able to***	***The outcome will be assessed in the following items***
Knowledge	Understand some of the puzzles, problems, and potential solutions that arise in empirical macro.	-Reading Assignments -Paper presentation
Critical thinking and problem solving	Solve problems associated with identification. Use MATLAB, PYTHON, and RATS effectively for a range of econometric analysis.	-Modeling Assignments -Written papers
Written communication	Develop written work which is logically and professionally presented.	-Written papers
Oral communication	Communicate ideas succinctly and with clarity	-Article presentation (presenting research of others) -Discussions (critiquing presentations of others) -Paper presentation (presenting own research)

Prerequisites: ECON 6302, ECON 7302 plus ECON 7309 and/or ECON 7315. Students from other PhD programs--particularly in Political Economy, Finance, or Political Science—are welcome. Students must have passed the qualifying examinations in their respective program and have successfully taken (B or better) at least one graduate (PhD) level non-introductory econometrics course.

Grading & Assessment: This course is structured in the following categories:

Article Presentations **(AP)**— ***(A,B,C,D,F)***.

Presentation Discussions **(PD)**— ***(A,B,C,D,F)***.

Literature Reviews **(LR)**— ***(A,B,C,D,F)***.

(Optional) Working Papers of original research **(WP)**— ***(A,B,C,D,F)***.

Class Participation: Regular class participation is expected regardless of course modality. Students who fail to participate in class regularly are inviting scholastic difficulty. A portion of the grade in the course is directly tied to class participation. It also includes students' engagement in group or other activities during class that solicit feedback on homework assignments, readings, and/or materials covered in the lectures and/or labs. Class participation is documented by faculty. Successful class participation is defined as consistently adhering to University requirements, as presented in the syllabus. Failure to comply with these University requirements is a violation of the Student Code of Conduct.

(AP) and **(PD)** are particularly important regarding participation. From colloquium, we learn together or not at all. This requires us to all be together during class time to present and debate. **Every written assignment will be filtered through anti-plagiarism software.**

Deliverables:

(WP) —WORKING PAPERS.

The default setting is NO PAPER OPTION (opt out). You must communicate to me you are opting in to WP, by returning the signed form with your choice (see end of this document).

Paper. There are four choices:

- *(A)* TWO PAPER OPTION: You write (and present) two papers that include your original **brand-new** research. They both must be macroeconomic papers. (Papers written in other non-macroeconomics courses or in other subjects are not acceptable.) This option frees you from the literature review requirement in **LR** (see below). *Targeted to Econ PhD students - Recommended for students who plan on writing a macroeconomics dissertation with me in the future.*

(B) ONE BRAND NEW PAPER OPTION: You write (and present) a single paper that includes your original **brand-new macroeconomic** research. However, if you choose to present a new paper that has not been worked before (as deemed by me), you will also be freed from the literature review requirement in LR (see below) *Targeted to Econ PhD students - Recommended for students who plan on asking me to serve in their dissertation committee in the future.*

(C) ONE PAPER OPTION + Literature review: You may choose to present a paper you've worked on in a previous class (e.g. ECON 7391, ECON 6331, etc.) It does not have to be in macroeconomics. *Targeted to non-Econ PhD students OR Econ PhD students with no interest in macroeconomics - Recommended for students who do not plan on asking me to serve in their dissertation committee in the future.*

(D) NO PAPER OPTION + Literature review. This is the default. For students who do not plan on asking me to serve in any capacity in their dissertation in the future. ***Particularly useful for students who do not have an interest in pursuing a dissertation in macroeconomics.***

SIGNALING MECHANISM FOR OPTION

SEP 20. You must submit your signed form by September 20 of which option (A), (B), (C), or (D) you choose.

Failure to submit your choice by that day will irreversibly set you to the default option of (D) NO PAPER.

If you select option (A) TWO PAPER OPTION but fail to present your **first paper** by **OCTOBER 18**), then you will irreversibly be defaulted to the (B) ONE PAPER OPTION.

If you select option (A) TWO PAPER OPTION but fail to present your **second paper by the last day of class (DEC 6)**, then you will irreversibly be defaulted to the (B) ONE PAPER OPTION.

If you select option (B) or (C) ONE PAPER OPTION but fail to present your **single paper by DEC 6**, then you will irreversibly be defaulted to the (D) NO PAPER OPTION. And will forfeit any possibility of my involvement with your dissertation in the future.

If by the last day of classes, you have not submitted a written paper you presented in class and have not re-contracted with me, then the same defaulting mechanism of reversion to NO PAPER option applies.

No Paper Option (D): This is the default option if you fail to tell me otherwise or if you do not present. Also, if the deadline passes and you have not submitted your paper(s) nor established a new deadline (i.e. you have not re-contracted with me), then by default you will have selected the NO PAPER option.

One Paper Option (B) or (C): An in-class presentation of your single paper will be **scheduled with me no later than Oct 20** and paper presented and submitted no later than **Dec 6.** Slides will need to be circulated to the class two days before the presentation date. Recall choosing B frees you from the literature requirement in LR below.

Two Paper Option (A): An in-class presentation of your first paper will be **scheduled with me no later than Oct 20** and paper presented and submitted by **November 1**. Slides will need to be circulated to the class two days before the presentation date. The first paper should be close to completely written at the time of your presentation. An in-class presentation of your second paper will be scheduled with me upon submitting your first paper. It must be turned in by the last class day. Choosing this option frees you from the literature requirement in LR below.

Scheduling Presentation: You must send me a proposal including the title for the paper and a brief summary. If it is deemed acceptable, you are invited to schedule on a First-come-first-serve basis. Two-paper proposals receive priority in the schedule. ALL SCHEDULING IS FINAL. If you miss your chosen day to present, you can still submit your paper for a reduced grade.

Presentation Logistics: You should prepare a slide set and be ready to present it at the appointed date. The lower bound for your presentation is 1 hr (a typical length for the brownbag in our program). The upper bound for your presentation is 1.5 hrs (a typical length for a job market talk). Evaluation of your presentation will include your clarity as well as your time management. Falling outside the time bounds will see a reduction in your grade.

Papers should be based on your own research. You will write a paper that documents what you have accomplished, how your work is related to existing research (e.g. it may complement, question, or refute other research), what macroeconomic implications can be derived from your research, and where this research should go next. The paper's topic can be theoretical and/or empirical on anything that interests you, subject to the constraint that it is on a macroeconomic topic or has macroeconomic implications that you must spell out in your paper. Hence, the range of topics is left open. **Papers will exclude a literature review.** (Recall the literature review is a separate mandatory requirement). Your paper should attempt to break new ground with original work. Your grade for the paper will be based on how much you are trying to accomplish, how well your research plan is designed to answer the questions you address, and how well you answer those questions.

Ideally, these papers could comprise a prospectus for eventual chapters of your dissertation. This would be optimal for you but not a necessary requirement for the course.

Direct replication is not generally considered novelty in macro. However, a gateway (or a straightforward first step) to performing new research is to apply an existing method to a new data set or, alternatively, to make some small but significant and hopefully important modification to someone else's model. If the model is theoretical then you would determine how the economy behaves differently under your new assumption compared with existing research. If the model is econometric, you should estimate it and then examine how well your model (using new data, new assumptions, etc.) does compared with existing research.

(AP) — ARTICLE PRESENTATIONS.

In-Class Article Presentation (A,B,C,D,F). Every weekly class period there will be one paper presented and discussed synchronously (live). You will be responsible for a different presentation at most once every three weeks until told otherwise by me.

You will present someone else's published article or working paper as if it were your own. You will need to produce and **distribute your own slide set to the class the day prior to your presentation.**

You will present the paper as if you had written it yourself. You will be graded on how well you summarize the paper in your own words and how well you understand and convey its contribution. You will have an upper bound of 25 minutes to present the paper in question (including audience questions).

Paper assignments will be posted on the course website.

Three major points of caution.

1- Copying whole paragraphs of the paper into a presentation will be considered plagiarism resulting in very negative outcomes. You are being evaluated on how well you synthesize and explain ideas ***in your own words.***

2- You need to be ready to explain in detail anything that appears in your slide set. Putting material down you do not really understand and cannot explain will lead to negative outcomes. If there is something that puzzles you or is not clear from the paper, you should work your presentation around it, and it should never appear in your slides. Only attempt to explain what you understand.

3- You must have your video activated. Audience should be able to see and hear the presenter at all times, along with the materials that are being presented.

(DP) — DISCUSSION PRESENTATIONS.

In-Class Article Presentation (A,B,C,D,F). On a given week when you are not presenting an article you should be ready to discuss someone else's presentation.

If called upon, you should be ready to discuss multiple paper. So if you are not presenting a paper that week, you should read and be ready to discuss the paper.

Following a classmate's paper presentation, you will have a lower bound of 10 minutes in-class discussion of that presentation. You are not only asked to discuss the article directly, but also discuss the presenter's exposition of the article. Remember the presenter will have sent her/his slide set to you and the rest of the class in advance. So based on your own read of the article, you may then critique your classmate's presentation. ***Think of this as an oral referee report***. You may prepare a slide presentation of your own if you like but it is not a requirement (slide presentation is a hard requirement only for article presentation, not discussion).

Two major points of caution.

1. You (and everyone else in the class) should be provided with the presenter's slides one day prior to the date of the presentation-discussion. If the presenter fails to do this, or fails to present on the assigned day, she/he may get a low/zero score but you will still conduct a discussion. Some of the points the presenter forfeits may be redistributed to you if you do a good job on your discussion.

2. You can give your arguments orally if you choose, you do not need to present a slide set.

(LR) — LITERATURE REVIEWS

Literature Review (A,B,C,D,F).You will have been exposed to a fair deal of articles before the semester is over. On **October 4,** a syllabus where you select a minimum of 8 macroeconomics papers must be submitted to me. You may be able to include some or all of the macroeconomics papers you present in the class in **AP** requirement. However, paper selections may not overlap (you may not include a paper in your **LR** that has been picked by someone else.) **First-come-first-serve in the submission will dictate priority**. You will produce a succinct literature review not to exceed 15 pages with standard margins and spacing to be submitted on the last day of classes.

You will be evaluated largely on the quality of your review. Minor re-writes of pasted abstracts from otherwise disparate papers is a good way to get an F for this component. The literature review must be **WRITTEN IN YOUR OWN WORDS** and must develop a cohesive exposition of the progression of an idea(s) by comparing and contrasting the contribution of a given paper toward a line of inquiry that you would want to investigate yourself in the immediate future. No two literature reviews will probably be alike even when outlining many of the same articles. Thus, any literature review that is submitted that looks suspiciously close to another submission by a classmate will invalidate both. Ideally, such a literature review would contribute to chapter(s) of your dissertation. And it will be evaluated according to those standards. At the time of your syllabus submission **October 4** we will schedule a presentation of your literature review later in the semester via MSTeams not to exceed 45 mins.

M – Modeling

(Take home) Modeling Assignments (A,B,C,D,F). These will involve a combination of written assignments and production of computer codes (in RATS or MATLAB as requested) to solve/estimate models posed. A READ-ME file with direct instructions for reproducibility will be required in each of these. You will have a maximum of 7 days to complete each assignment. The assignment can be submitted via email at any time during the week. Only one submission will be accepted for each assignment (No "updates"/ "resubmissions" will be accepted). If your solution is missing components or if it fails to replicate, you will have to live with those consequences. (Submission order matters, i.e. the earlier you submit within the seven days the more credit you may receive).

You are not permitted to communicate about any modeling assignment with anyone else in the class using any means (except to ask me clarification questions; Honor System).

RANGE OF POTENTIAL TREATMENTS

I. Dynamic Stochastic General Equilibrium (DSGE)

- QZ Decomposition
- Blanchard-Khan Solution Method
- Sims Solution Method
- Klien Solution Method
- Pesaran Solution Method
- Intro to DYNARE
- Quadratic Approximations
- Calibration v. Estimation
- DSGE in RATS
- In-depth discussion of a typical DSGE: from analytic solutions to computation
- Mapping SVARs to DSGEs

II. Structural Vector Autoregressions

- Stability and Stationarity
- Multivariate WOLD theorem
- Innovation Analysis
- IRFs: Bootstrapping
- IRF's: Local Projections
- Cholesky Decompositions
- Short-run exclusion restrictions
- Blanchard and Quah Decompositions
- Long-run exclusion restrictions
- Intro to RATS
- Mixed exclusion restrictions
- Identification by Heteroskedasticity (Rigobon and Sacks)
- Sign restrictions (Canova and De Niccolo)
- Givens Rotations
- Householder Transforms
- Criticisms to Sign Restrictions (Fry and Pagan)
- Criticisms to Sign Restrictions (Kilian)

- Time-Varying Parameter Vector Autoregressions (TVP-VAR)
- Bayesian Analysis of reduced-form volatility estimation
- Structural identification under time variation
- Factor-Augmented Vector Autoregressions (FAVAR)

III. State Space Models

- Kalman Filtering techniques
- Intro to MATLAB
- Local level models
- Permanent-Transitory Decompositions
- Hodrick-Prescott Filtering
- Band-Pass Filters
- Beveridge Nelson Decomposition
- Morley-Nelson-Zivot Decomposition
- Markov Switching models
- Time Varying Parameter (TVP) models
- Markov Chain Monte Carlo (MCMC) techniques
- Intro to PYTHON
- Bootstrapping
- CAPM Models

JOURNAL ABBRVS

AER=American Economic Review
AEJ:Macro=American Economic Journal: Macroeconomics
CRCS=Carnegie-Rochester Conference Series
E=Economica
ECOLET=Economic Letters
HOM=Handbook of Macroeconomics
JoE=Journal of Econometrics
JEDC=Journal of Economic Dynamics and Control
JBF= Journal of Banking and Finance
JEB= Journal of Economics and Business
JEL=Journal of Economic Literature
JME=Journal of Monetary Economics
JPE=Journal of Political Economy
MD=Macroeconomic Dynamics
QJE=Quarterly Journal of Economics
RES=Review of Economics and Statistics
RESTAT=Review of Economics and Statistics
RESTUD=Review of Economic Studies
WP=Working Paper

Suggested Paper List

1. Phillips, A. W. (1958) "The Relation between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1861-1957" *E*

2. Barnett, W.A. (1980) "Economic Monetary Aggregates: An Application of Index Number and Aggregation Theory." *JoE* 14:11-48

3. Bernanke, B., (1986), "Alternative Explanations of the Money-Income Correlation'', *CRCS*, 25, 49-99.

4. Sims, C. (1986) "Policy analysis with econometric models" *Minneapolis Federal Reserve Bank, Quarterly Review*

5. Leeper, E.; Gordon, R (1992), "In Search of the Liquidity Effect," *JME*

6. Mishkin, R (1992) "Is the Fisher Effect for Real? A reexamination of the Relationship between Inflation and Interest Rates" *JME* 30(2)

7. Galí, J (1992) "How Well Does the IS-LM Model Fit Postwar U.S. Data?" *QJE*, Vol. 107, No. 2

8. Bernanke, B.; Blinder, A. (1992) 'The Federal Funds Rate and the Channel of Monetary Transmission"*AER* Vol 82, No 4pp 901-921

9. Cover, J.(1992) "Asymmetric Effects of Positive and Negative Money-Supply Shocks" *QJE*, 1261-82

10. Amed, S., B.W. Ickes, P. Wang and B.S. Yoo (1993) "International Business Cycles," *AER*, 335-359

11. John B. Taylor (1993) "Discretion versus Policy Rules in Practice" *CRCS* 39 195-214

12. Gordon, R; Leeper, E. (1994)"The Dynamic Impacts of Monetary Policy: An Exercise in Tentative Identification" *JPE* 102(6)

13. Bullard, J.; Keating, J. (1995) "The Long Run Relationship between Inflation and Output in Postwar Economies" *JME*

14. McCandless, G and Weber, W. (1995) "Some Monetary Facts" *Federal Reserve Bank of Minneapolis Quarterly Review* 19(3)

15. Boschen, J. Mills, O. (1995) "Tests of Long-Run Neutrality using Permanent Monetary and Real Shocks" *JME* 35(1)

16. "How Should Monetary Policy Respond to Shocks while Maintaining Long-Run Price Stability?-Conceptual Issues" in *Achieving Price Stability*, *Federal Reserve Bank of Kansas City*, (1996) pp.191-195

17. Steven Strongin (1995) "The Identification of Monetary Policy Disturbances: Explaining the Liquidity Puzzle" *JME* Vol 35.

18. Lawrence J. Christiano, Martin Eichenbaum, Charles Evans (1996) "The Effects of Monetary Policy Shocks: Evidence from the Flow of Funds" *RES* Vol. 78, No. 1

19. Faust J. and E. Leeper (1997) "When Do Long-Run Identifying Restrictions Give Reliable Results?" *JBES*, 345-353

20. Bernanke B. & I. Mihov (1998) "The Liquidity Effect and Long-run Neutrality" *CRCS* 49, p 149-94

21. Bernanke B. and I. Mihov (1998)"Measuring Monetary Policy" *QJE* 113(3), pages 869-902

22. Shapiro, M.D., Watson, M. (1998) "Sources of Business Cycle Fluctuations," *NBER Macroeconomics Annual*, 111-148

23. Richard Clarida, Jordi Galí, Mark Gertler (1999) "The Science of Monetary Policy: A New Keynesian Perspective" *JEL*, Vol. 37, No. 4

24. Christiano L., M. Eichenbaum and C. Evans "Monetary Policy Shocks: What have we learned and to what end?" *HOM (*1999)

25. Clarida,R, J. Gali & M. Gertler (2000) "Monetary Policy Rules and Macroeconomic Stability: Evidence and Some Theory" *QJE* 115(1), pages 147-80.

26. Kenneth N. Kuttner (2001) "Monetary policy surprises and interest rates: Evidence from the Fed funds futures market", *JME*, Volume 47, Issue 3, Pages 523-544

27. Chang-Jin Kim and Jeremy Piger (2002) "Common stochastic trends, common cycles, and asymmetry in economic fluctuations", *JME*, Volume 49, Issue 6,Pages 1189-1211

28. Cochrane, John H. and Monika Piazzesi, (2002) "The Fed and Interest Rates – a High Frequency Identification" *AER* 92, 90-95.

29. Dueker, Mike (2002), The monetary policy innovation paradox in VARs, A discrete explanation, St. Louis Fed Review.

30. Gali, Lopez-Salido, Valles (2003) "Technology shocks and monetary policy: Assessing the Fed's performance", *AER* Volume 50, Issue 4, May, Pages 723-743

31. Leeper E. and T. Zha (2003) "Modest Policy Interventions" *JME*, 1673-1700

32. Rapach, D. E. (2003) "International Evidence on the Long-Run Impact of Inflation," *JMCB* 35(1): 23-48.

33. Rapach, D.; Wohar, M. (2005) "Regime Changes in International Real Interest Rates: Are They a Monetary Phenomenon?," *JMCB* 37: 887-90

34. Francis N & V. Ramey (2005) "Is the technology driven real business cycle dead: Shocks and aggregate fluctuations revisited" *JME* 1379-1399.

35. Iwata, Shigeru & Wu, Shu (2006) "Macroeconomic Shocks and the Foreign Exchange Risk Premia" *MD*, Cambridge University Press, vol. 10(04), pages 439-466.

36. Jean Boivin & Marc Giannoni (2006) "Has Monetary Policy Become More Effective?" *RESTAT* 445-462,

37. King, Thomas B. & Morley, James, (2007). "In search of the natural rate of unemployment," *JME*, vol. 54(2), pages 550-564,

38. Barnett, W.; Kelly, L.; Keating, J. (2008) "Toward a Bias Corrected Currency Equivalent Index", *ECOLET*

39. Rubio-Ramirez, J., D. Waggoner & T. Zha (2010) "Structural Vector Autoregressions: Theory of Identification and Algorithms for Inference," *RESTUD*, vol. 77(2), pages 665-696

40. Bunzel, Helle; Enders, Walter,(2010) "The Taylor Rule and 'Opportunistic' Monetary Policy" *JMCB* Vol. 42 no. 5: 931-949.

41. Belongia, M.T.; Ireland, P.N. (2010) "The Barnett Critique After Three Decades: A New Keynesian Analysis" *WP (Boston College Working Papers in Economics 736)*

42. Kelly, L., Barnett, W., Keating, J. (2011) "Rethinking the Liquidity Puzzle: Application of a New Measure of the Economic Money Stock" *JBF* 35:768:774

43. Valcarcel, V.J. (2012) "The Dynamic Adjustments of Stock Prices to Inflation Disturbances." *JEB* 64(2):117-144

44. Belongia, M.T.; Ireland, P.N. (2012) "Quantitative Easing: Interest Rates and Money in the Measurement of Monetary Policy" *WP (Boston College Working Papers in Economics 801)*

45. Keating, John W. "What do we learn from Blanchard and Quah decompositions of output if aggregate demand may not be long-run neutral?." *Journal of Macroeconomics* 38 (2013): 203-217.

46. Krishnamurthy, Arvind, and Annette Vissing-Jorgensen. "The ins and outs of LSAPs." In Kansas City Federal Reserve Symposium on Global Dimensions of Unconventional Monetary Policy, pp. 57-111. 2013.

47. Forni, Mario, and Luca Gambetti. "Sufficient information in structural VARs." *JME* 66 (2014): 124-136.

48. Swanson, Eric T., and John C. Williams. " Measuring the Effect of the Zero Lower Bound on Medium-and Longer-Term Interest Rates." *AER* (2014).

49. Gertler, Mark, and Peter Karadi. "Monetary policy surprises, credit costs, and economic activity." AEJ: Macro 7, no. 1 (2015): 44-76.

50. Krishnamurthy, Arvind, and Annette Vissing-Jorgensen. "The impact of treasury supply on financial sector lending and stability." *Journal of Financial Economics* 118, no. 3 (2015): 571-600.

51. Ramey, Valerie A., Kenneth D. West, John B. Taylor, and Michael Woodford. "Handbook of Macroeconomics." by JB Taylor and H. Uhlig. North-Holland. Chap. Macroeconomic Shocks and Their Propagation (2016): 71-161.

52. Bundick, Brent, and A. Lee Smith. "The dynamic effects of forward guidance shocks." *Review of Economics and Statistics* (2016): 1-45.

53. Nakamura, Emi, and Jón Steinsson. "Identification in macroeconomics." *Journal of Economic Perspectives* 32, no. 3 (2018): 59-86.

54. Keating, John W., Logan J. Kelly, A. Lee Smith, and Victor J. Valcarcel. "A model of monetary policy shocks for financial crises and normal conditions." *JMCB* 51, no. 1 (2019): 227-259.

55. Baumeister, Christiane, and James D. Hamilton. "Structural interpretation of vector autoregressions with incomplete identification: Revisiting the role of oil supply and demand shocks." *AER* 109, no. 5 (2019): 1873-1910.

56. Barnichon, Regis and Geert Mesters "Identifying Modern Macro Equations with Old Shocks" *QJE (2020*)

57. Swanson, Eric T. "Measuring the effects of Federal Reserve forward guidance and asset purchases on financial markets." *JME* (2020).

58. Chen, Z.; Valcarcel, V.J. "Monetary Transmission in Money Markets: The Not-So-Elusive Missing Piece of the Puzzle" *JEDC (2021)*

59. Belongia, M.T.; Ireland, P.N. "A Reconsideration of Money Growth Rules" *JEDC (2022)*

60. Doh, T.; Smith, A.L. "A New Approach to Integrating Expectations into VAR Models" (*JME forthcoming*)

61. Jermann, U. "Is SOFR better than LIBOR?" (*WP 2020*)

62. Smith, A.L.; Valcarcel, V.J. "The Financial Market Effects of Unwinding the Federal Reserve's Balance Sheet" (*WP 2021*)

63. Colunga Ramos, F.; Valcarcel V.J. "A Divisia Measure of the Money Supply for Mexico" (*WP 2022*)

RETURN THIS PORTION OF THE SYLLABUS BACK TO ME BY TU SEP 20

I am an Economics PhD student and I hereby understand and abide by the rules stipulated by this syllabus

CIRCLE MY OPTION

OPTION A: TWO PAPERS. I understand this allows me to waive off the literature review requirement. I also understand this option buys me the possibility, <u>but not the guarantee</u>, of having Dr. Valcarcel be my dissertation advisor sometime during my tenure at UTD.

The Tentative Title for my first paper is: ___________________

The Tentative Title for my second paper is: ___________________

(Please include a brief abstract even if you do not have decided on a title ye)

OPTION B: ONE BRAND NEW PAPER. I understand this allows me to waive off the literature review requirement. I also understand this option buys me the possibility, <u>but not the guarantee</u>, of having Dr. Valcarcel serve in my dissertation.

The Tentative Title for my first paper is: ___________________

OPTION C: ONE PAPER + Literature review. I understand this option <u>guarantees</u> Dr. Valcarcel will not serve as my dissertation advisor or provide mentoring support in my dissertation.

OPTION D: NOPAPER. I understand this option <u>guarantees</u> Dr. Valcarcel involvement with me as a student will end with the semester. Furthermore, I understand this is the default option. Failure to inform my choice defaults to this option.

Finally, I understand the reversion to default mechanism that ensues if I circle OPTION A but fail to meet the submission standards and deadlines.

Print your Name ____

Your signature ____