

For the final stage of the course, you must pick one of the following topics to discuss:

Topics**1. Consumption and Savings: Empirical Evidence and Implications**

Discussion of further studies and evidence on theories of consumption and the permanent income hypothesis.

2. The Equity Premium Puzzle

Discussion of this puzzle and the potential economic explanations for the inability of economic models to capture the return premium of equity assets over bonds.

3. Monetary Policy Design in New Keynesian DSGE framework (I) and the Forward-Guidance Puzzle

Extended discussion on the New Keynesian DSGE framework regarding monetary policy design and implied dynamic responses of the model's shocks.

4. Monetary Policy Design in New Keynesian DSGE framework (II): Rule vs. Discretion

Detailed discussion on dynamic consistency issues of different monetary policy setups and comparison of economic dynamics under each regime in the light of the NK DSGE model.

5. Financial Frictions and Financial Accelerator Mechanism

Exploration of financial friction models and financial accelerator mechanism from models tying the external finance premium to agency frictions (Bernanke, Gertler, Gilchrist, 1999 and similar).

6. The Macroeconomics of COVID: Empirical and Theoretical Approximations

Modeling and empirical approaches to the macroeconomic consequences of the COVID episode

7. Empirical Evidence on the Shape and Evolution of the Phillips Curve in the Post-War era

Discussion on the existence, prevalence, and stability of the Phillips curve over the last decades and in the light of recent studies.

Format

You will lead a lecture-type presentation with slides. Also, submit a 2-5 page executive report on your topic and presentation (one submission per group).

The presentation should be 25-30 minutes long and allow 5-10 minutes of Q&A. We will be strict with the time so that every group presents. Additionally, each group member must participate in the presentation to get credit.

To Do

You must email me your topic of choice (and second best choice) on behalf of your group. **Include all team members in the email.** I will reply by sending the presentation assignment and materials to all members. **I should get the information by 4/13.**

Final Details

The presentations will take place on **May 4, 2025**

The slides should be sent to me by that day in the morning; if you want feedback on them, you're welcome to discuss them with me over office hours in the preceding weeks.