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DOCTORAL STUDIES

Massachusetts Institute of Technology (MIT)
PhD, Economics, Expected completion June 2015
DISSERTATION: "Essays on Financial Institutions"

DISSERTATION COMMITTEE AND REFERENCES

Professor Robert Townsend
MIT Department of Economics
77 Massachusetts Avenue, E17-230
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Professor Alp Simsek
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Professor Arnaud Costinot
MIT Department of Economics
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PRIOR EDUCATION

Massachusetts Institute of Technology (MIT), 2007
B.S. in Mathematics and Economics

CITIZENSHIP South Korea **GENDER:** Male

LANGUAGES Korean (Native), English (Fluent)

FIELDS

Primary Fields: Macroeconomics
Secondary Fields: Finance

TEACHING EXPERIENCE

14.04 Intermediate Microeconomic Theory (Undergraduate)	Fall 2014
Teaching Assistant to Professor Juuso Toikka	
14.30 Introduction to Statistical Methods (Undergraduate)	Fall 2014
Teaching Assistant to David Colino	
14.02 Principles of Macroeconomics (Undergraduate)	
Teaching Assistant to Professor Francesco Giavazzi	Spring 2014
Teaching Assistant to Professor Fernando Broner	Spring 2013
Teaching Assistant to Professor Francesco Giavazzi	Spring 2012

RELEVANT POSITIONS

Summer Research, Bank of Mexico	Summer 2012

FELLOWSHIPS, HONORS, AND AWARDS

Samsung Scholarship	2009 – 2014
MIT Fellowship	2009 – 2011
Phi Beta Kappa	2007
Gold Medal, International Physics Olympiad	2002

OTHER EXPERIENCE

Mandatory Military Service, Sergeant, South Korean Army	2007 – 2009

RESEARCH PAPERS

"A Cost-Based Model of the Interbank Market and Its Empirical Application" (Job Market Paper)

We build a model of short-term interbank loans. The variation across different banks in their cost from handling an excess or a deficit of liquidity (`liquidity cost') drives the variation in interest rates. We characterize the shape of the interest rate curve as a function of loan size and find that a small bank that trades with a large bank tends to get better interest rates for larger loans. The model is consistent with the following observations on the Mexican interbank market, obtained from a unique dataset of interbank loan transactions: (i) the variation in the interest rates on the loans between two large banks is small; (ii) small banks lending to (borrowing from) large banks receive lower (pay higher) interest rates than large banks lending to (borrowing from) other large banks; and (iii) a small bank trading with a large bank gets more favorable interest rates for larger loans. Finally, as an application of the model, we discuss how banking environment changes during a financial crisis. In particular, we estimate the shape of the liquidity cost function and use that information to measure the shift in the liquidity cost that banks faced during the 2008 financial crisis. We find that the increased disadvantage that small banks experienced in the interbank market during the crisis can largely be explained by a shift in the liquidity cost, rather than by changes in loan supply and demand.

RESEARCH IN PROGRESS

"Payment System Design in a Model of Money" (with Robert Townsend)

We study a model of money as a medium to facilitate exchange in the context of modern banking systems. Different general equilibrium models of money as a device to facilitate exchange of goods have been proposed where the need for money arises for different reasons. A few well-known ones include geographical separation and seasonal variation in economic activity, for example. While some of the motivations for the use of money in the earlier literature such as geographical separation may not be applicable to a modern banking system due

to a drastic decrease in communication costs, we propose that there still exist forces that can motivate the use of money in a modern banking system such the settlement of multilateral trades and unverifiable future trading plans. In particular, we relate the outcome of our study to the design of the payment infrastructure between financial institutions. The real use of money as a medium of exchange is not simply defined by the property of money itself, but by the structure of the payment system within which the money is actually used. The modern banking system is interesting in this regard because there exist important devices such as an intraday overdraft facility to enhance the use of money. We evaluate the welfare properties of existing payment infrastructures under our framework.