

## Current Crisis: Reading List

UCSD Macro Reading Group  
Spring 2009

1. Bernanke, B. and M. Gertler. "Agency Costs, Net Worth, and Business Fluctuations". *American Economic Review*, Vol. 79, No. 1 (Mar., 1989), pp. 14-31.
  - Related reading: Bernanke, B. and M. Gertler. "Inside the black box: the credit channel of monetary policy transmission". *Journal of Economic Perspectives*, Vol. 9, No. 1 (1995), pp. 27-48.
2. Kyotaki, Nobuhiro and John Moore. "Credit Cycles". *Journal of Political Economy*, 1997, vol. 105, no. 2.
3. DenHaan, Wouter, Garey Ramey and Joel Watson. "Liquidity flows and fragility of business enterprises". *Journal of Monetary Economics*, 50 (2003) 1215 - 1241.
4. Christiano, Lawrence, Roberto Motto, Massimo Rostagno, "The Great Depression and the Friedman-Schwartz Hypothesis". *Journal of Money, Credit and Banking*, 35(6), December 2003, part 2, pp. 1119-1197.
5. Allen, Franklin and Douglas Gale. "Financial Intermediaries and Markets". *Econometrica*, Vol. 72, No. 4 (July, 2004), 1023-1061.
6. Diamond, Douglas and Raghuram Rajan. "Money in a Theory of Banking", *American Economic Review*, March 2006, 96(1), p.30.
7. Lorenzoni, Guido. "Inefficient Credit Booms". *Review of Economic Studies*, 75 (3), July 2008, 809-833.
8. Lorenzoni, Guido and Christian Hellwig. "Bubbles and Self-Enforcing Debt". Forthcoming, *Econometrica*.
9. Kyotaki, Nobuhiro and John Moore. "Liquidity, Business Cycles, and Monetary Policy". Mimeo, Princeton University.