Prelim #1

• Monday, October 17, in Statler classroom 2:55 pm to 4:10 pm
• Designed to be completed in 60 minutes, but you may take as long as 75 minutes.
• Write clearly in booklets. One booklet per question.
• Expect 3 20-minute questions chosen from:
  1. Outside Money
  2. Short essays
  3. Risk and insurance
  4. Banking and bank runs
Presentations

• See me!
• See the course assistants
• Relate to what we have learned in the course
• Focus on the economics – not the politics – of the question
• Avoid flashy PowerPoint
• NOT: Saw the movie, but did not read the book
Some Possible Presentation Topics

• The Eurozone
• Grexit from the EZ?
• Brexit from the EU!
• NOT: Baumol and transaction demand for money; taken!
• Possibly NOT: DD and the Glass-Steagall Bank; possibly taken?
• The IMF
Some Possible Presentation Topics, ctd.

• Financial instruments
• Derivatives
• Options
• Put and Calls
• MBS and tranches. See lecture notes of Alp Simsek
• Fed (and other central bank) balance sheets
• History of Panics in US and elsewhere
• History of Bubbles (relate to the course)
  • The South Sea Bubble is taken, others might be taken
• Sunspot equilibrium
Nobel Prizes

• Bengt Holmstrom, MIT
• Oliver Hart, Harvard
• Contracts: Exactly what we are doing on DD and related bank runs
Some Other News

• New regulations on money market funds likely to cause runs on funds. Already started.

• Pound sterling plunges, saving the UK economy