

Advanced Macroeconomics I examen januari 2019

Advanced Macroeconomics I

Question on consumption in an economy where a fraction of consumers is credit-constrained and a fraction is not

1. MPC for aggregate consumption, MPC for constrained consumers etc
2. Debt-financed tax cut and impact on welfare
3. Tax cut financed by a cut in gov't spending and impact on welfare

Question on the fragility of the financial system: Diamond & Dybvig

1. are banks beneficial: yes/no, why (not)
2. questions on deposit guarantees, limited and unlimited coverage

Question on guest lecture

1. why did conventional monetary policy experience difficulty in the '08 financial crisis?
2. give 2 unconventional policies the ECB carried out with pros and cons

Question on VAR: you were given the IRFs of Kilian's study, how were they ordered, give a pro and a con of this ordering, is this plausible?