

ECON643V- Advanced Readings in Economics
Semester - Summer 2010

Instructor (This class is being jointly taught by the faculty, but I am the coordinator)

Dr. Cary Deck

phone: 479-575-6226

e-mail: cdeck@walton.uark.edu

office: 425 WCOB

website: <http://comp.uark.edu/~cdeck/econ636-Readings.htm>

office hours: by appointment

Course Description and Objectives

This course is designed to familiarize PhD students who have completed the first year of their degree program with various topical areas in economics. The areas selected reflect the current research interests and expertise of the faculty in the economics department. In addition to providing a broader understanding of economics, the class is intended to help students identify 1) research areas they wish to pursue with their dissertation, and 2) appropriate faculty for advising such work.

Each class meeting will focus on a different topical area. Students are expected to have completed the assigned readings prior to the class. Class time will be spent discussing the readings. While the faculty member who selected the readings will be present, students are expected to lead the discussion.

Tentative Class Schedule and Reading List (subject to change)

May 18 with Dr. Reyes

1. Calvo, Guillermo A., "Interest Rate Rules, Inflation Stabilization, and Imperfect Credibility: The Small Open Economy Case," NBER Working Paper No. 13177 (June 2007).
2. Neumeyer, Pablo A., and Fabrizio Perri, "Business cycles in emerging economies: The role of interest rates," *Journal of Monetary Economics*, Vol. 52 (March 2005), pp. 345-80.
3. Hnatkovska, Viktoria, Amartya Lahiri, and Carlos A. Végh, "Interest Rates and the Exchange Rate: A Non-Monotonic Tale," NBER Working Paper No. 13925 (2008).
Interest rate defense under flexible exchange rates in quantitative framework.

May 25 with Dr. Kali

1. Kali, R. and J. Reyes. "The Architecture of Globalization: A Network Approach to International Economic Integration," *Journal of International Business Studies*, 38(4), July 2007.
2. Kali, R. and J. Reyes. "Financial Contagion on the International Trade Network," forthcoming in *Economic Inquiry*.
3. Hidalgo, C. A., B. Klinger, A. L. Barabasi, and Ricardo Hausmann. "The Product Space Conditions the Development of Nations." *Science* 317(5837): 482-487, 27 July 2007.
4. Jackson, Matt. Social and Economic Networks, Ch 1, 2008. Princeton University Press *forthcoming*.

June 1 with Dr. Farmer

1. Bebchuk, Lucian Arye. 1984. "Litigation and Settlement Under Imperfect Information." *RAND Journal of Economics* 15 (Autumn): 404-415.
2. Reinganum, Jennifer F., and Louis L. Wilde. 1986. "Settlement, Litigation, and the Allocation of Litigation Costs." *RAND Journal of Economics* 17 (Winter): 557-566.
3. Farmer, Amy and Paul Pecorino, 2009, "Pretrial Bargaining with Asymmetric Information: Unilateral versus Bilateral Payoff Relevance." Working Paper, University of Arkansas.

June 8 with Dr. Ferrier

1. Christensen, Laurits R. and William H. Greene (1976), "Economies of scale in U.S. electric power generation," *Journal of Political Economy* 84, no. 4, part 1, 655-676.
2. Olley, Steve and Ariel Pakes (1996), "The Dynamics of Productivity in the Telecommunications Equipment Industry," *Econometrica* 64, no. 6, 1263-97.

June 15 with Dr. Mendez

1. Choi, Jay Pil and Marcel Thum (2005). Corruption and the shadow economy. *International Economic Review*, vol. 46, no. 3, pp. 817-836.
2. Olken, Benjamin (2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia. *Journal of Political Economy*, forthcoming April 2007.
3. Mookherjee Dilip, and I.P.L. Png (1995). Corruptible Law Enforcers: How Should They Be Compensated? *The Economic Journal*, vol. 105, no. 428, pp. 145-159.
4. Dilyan Donchev and Gergely Ujhelyi (2009). Do Corruption Indices Measure Corruption? Working Paper, Harvard.

July 17 with Dr. Gu

1. Bachmeier, Lance J. and James M. Griffin, "New evidence on asymmetric gasoline price responses," *Review of Economics and Statistics* 85(3), 2003, 772-776.
2. Borenstein, Severin, A. Colin Cameron, and Richard Gilbert, "Do Gasoline Prices Respond Asymmetrically to Crude Oil Price Changes?" *Quarterly Journal of Economics* 112, February 1997, 305-39.
3. Peltzman, Sam, "Prices rise faster than they fall," *Journal of Political Economy* 108, June 2000, 466-502.
4. Mark P. Taylor and David A. Peel "Nonlinear adjustment, long-run equilibrium and exchange rate fundamentals", *Journal of International Money and Finance*, 19(2000) 33-53.

July 20 with Dr. Deck

1. Holt, C., and Laury, S. 2002. "Risk Aversion and Incentive Effects." *American Economic Review*, December, 1644 -1655.
2. Isaac, R. M., and James, D. 2000. "Just Who Are You Calling Risk Averse." *Journal of Risk and Uncertainty*, 20(2), 177-187.
3. Smith, K. and J. Dickhaut. 2005. "Economics and Emotion: Institutions Matter." *Games and Economic Behavior* 52(2), pp.316-335.
4. Deck, C., J. Lee, J. Reyes, C. Rosen. 2009. "Measuring Risk Attitudes Controlling for Personality Traits," working paper, University of Arkansas.

July 27 with Dr. Jahedi

1. DellaVigna, Stefano. 2009. "Psychology and Economics: Evidence from The Field," *Journal of Economic Literature*, Vol. 47, pp. 315-372.
2. Tversky, Amos and Daniel Kahneman. 1974. "Judgment under uncertainty: Heuristics and Biases" *Science*, 125: 1124-1131.
3. Ariely, D., G. Loewenstein, and D. Prelec. 2003. "Coherent Arbitrariness: Stable Demand Curves Without Stable Preferences" *Quarterly Journal of Economics*, 118: 73-105.
4. Dana, J., R. Weber, and J. Kuang. 2007. "Exploiting Moral Wiggle Room: Experiments Demonstrating an Illusory Preference for Fairness" *Economic Theory*, 33(1): 67-80.

Grades and Attendance Policy

A student's course grade will be based upon his or her contribution to the class discussion as evaluated by the faculty.

"Students are expected to be diligent in the pursuit of their studies and in their class attendance. Students have the responsibility of making arrangements satisfactory to the instructor regarding all absences. ... Policies of making up work missed as a result of absence are at the discretion of the instructor, and students should inform themselves at the beginning of each semester concerning the policies of their instructors." - UA 08-09 Graduate Catalog, p.23 (<http://catalogofstudies.uark.edu/08-010-GradCatalogCombined.pdf>)

Attendance is more than being physically located in the classroom. Students should read assigned materials prior to class. Cell phones and pagers should be turned off and materials not related to this course should be put away during class. Any and all distracting activity should be avoided. Above all, members of the class are expected to behave in a professional manner. Attendance issues deemed excessive by the instructor will result in a grade sanction.

Any student that engages in academic misconduct will receive a grade of F in the course and will be reported to appropriate offices. Students are expected to be familiar with the University's Academic Honesty Policy for Graduate Students available online at <http://www.uark.edu/depts/gradinfo/dean/governance/academichonestypolicy.html>.

Other

Students with disabilities who wish to request special accommodations are encouraged to contact the instructor as soon as possible.

In the event that inclement weather causes a change in the class schedule, students will receive an email from the instructor with specific directions.

Information relevant to this class will be posted at <http://comp.uark.edu/~cdeck/econ636-Readings.htm>. No guarantee is made that this site will contain updated information. It is the student's responsibility to keep up with the class schedule, assignments, etc. as announced in class. Readings of copyrighted materials will be provided through Blackboard as allowable.