This course investigates the importance of financial frictions in the macroeconomy from a theoretical and empirical point of view. The course is divided into three parts: financial frictions and firms, financial frictions and households and financial frictions and monetary policy.

1 Financial Frictions and Firms

1.1 Theory: Amplification effect of financial frictions (3/11)

1.2 Empirical Evidence on the Importance of Financial Frictions (3/18)

2 Financial Frictions and Households

2.1 Empirical Evidence (4/1)

2.2 Theory: Households and Incomplete Markets (4/8)

2.3 Household Finance and the Great Recession (4/15)
• Kermani, A., (2013), Cheap Credit, Collateral and the Boom-Bust Cycle

3 Financial Frictions and Monetary Policy
3.1 Background and Theory (4/22)

3.2 Empirics (4/29)