

Directed Reading in Macro-Finance
David Bunting, Economics

A directed reading consists of reading selected books in economics, organized around some topic as mutually selected by student and instructor. The study can be undertaken either graded or pass/fail for 1 to 5 credits. Requirements for a directed study are a minimum 3.0 GPA in 300 and 400 level economics courses and a self directed and motivated student.

A directed reading requires about 30 hours of work per credit hour. Evaluation is based on a review of the books read, usually involving discussion with the instructor and some written evaluation. Details on specific reading and evaluation will be mutually developed, but generally include (1) selection of books; development of study tasks, milestones and deadlines; (2) reading and consultation with instructor; (3) final evaluation.

Suggested readings (most are in paper or an area library, *= more difficult):

Development of Macro-Finance

- P. Bernstein, Capital Ideas. (development, impact of modern finance theories).
- J. Fox, The Myth of the Rational Market (updates Bernstein)
- *D. MacKenzie, An Engine, Not a Camera (more complicated history)
- * P. Mehrling, Fischer Black (theories of a key contributor)
- G. Cooper, The Origins of Financial Crises (How M-F fails)

Application of Macro-Finance:

- J. Stewart, Den of Thieves (finance, junk bonds in the 1980s).
- M. Lewis, Liar's Poker (adventures of new trader)
- F. Partnoy, FIASCO (high finance in 1990s)
- R. Lowenstein, When Genius Failed (Long Term Capital Mgt failure)
- C. Lynn, Leg the Spread (Female Chicago BOT commodities traders)
- N.N. Taleb, Fooled by Randomness (options trader on skill and luck)
- E. Derman, My Life as a Quant (Physics and finance)

Great Depression:

- R.S. McElvanine, The Great Depression. (causes, effects, cures).
- C Kindleberger, The World in Depression, 1929-1939. (general survey).
- M. Friedman and A. Schwartz, The Great Contraction (monetarist causes).
- J.K. Galbriath, The Great Crash. (1929 stock market crash, causes and effects).
- L. V. Chandler, America's Greatest Depression: 1929-1941. (causes, effects, cures).

Macro-Finance Policy

- L.H. Meyer, A Term at The Fed (BOG member under Greenspan)
- L.J. Santow, Do They Walk on Water? (Evaluation of FED chairs)
- D. Wessel, In FED We Trust (resolving the Great Credit Panic)