Course Outline and Reading List

Note: * items are required readings and will eventually be in a packet of readings.

I. Introduction: The Gauss-Markov Theorem, Granger Causality and Vector Autoregressions


II. Exploiting Rational Expectations Orthogonality: Understanding Real Interest Rate Behavior


*F.S. Mishkin, "The Real Interest Rate: An Empirical Investigation", in K. Brunner and A. Meltzer, eds., Carnegie-Rochester Conference Series on Public Policy,


### III. Unit Roots and Cointegration


### IV. The Information in the Term Structure of Interest Rates


V. Structural Vector Autoregressive (VAR) Models: The Effects of Monetary Policy Shocks


Rudebusch, G. "Do Measures of Monetary Policy in a VAR Make Sense?" mimeo Federal Reserve Bank of San Francisco (June 1997).


VI. Historical-Econometric Methods


VII. Historical Approach: Financial Crises


VIII. Case Study Approach: Monetary Policy Strategy


