Seminar zu Geld und Kredit
(Aspects of Financial and Banking Crises)

Bachelorstudiengänge:
VWL mit Wahlteil VWL

Masterstudiengänge:
Wirtschaft/Politik, Wirtschaftswissenschaften

The seminar will cover a range of topics arranged around the central question of the origin and consequence of financial crises and regulatory policy responses to crises symptoms.

The seminar will run as a 4-6 (half) day course during the winter term 2014/15. Registration is possible via our webpage starting on 1st of August 2014 until 10th September 2014, the submission deadline for the seminar paper is January 6th 2015. A kick-off meeting will be held on September 11th, 10am, room 505 WSP1 to fix the dates of the seminar presentations. Students are required to write a seminar paper (10 pages) and to give a 30 minutes oral presentation on their chosen topic and a 5 minutes discussion of another topic which will be randomly assigned. In case of more than 30 applications, students will be admitted according to the usual criteria.

The seminar partially expands on the material presented in the lecture “Geld und Kredit” (Summer Term). While participation in the preceding lecture is not necessary precondition for the admission, students should make sure that they have sufficient knowledge in the basic material in order to deal successfully with the advanced topics covered in the seminar.

Successful participation is rewarded with 5 ECTS for approved Bachelor and Master Students.

THE SEMINAR WILL BE CONDUCTED IN ENGLISH.

Topics for Seminar papers:

1. Old-Fashioned Banking Crises: Modelling Bank Runs
   Bryant, J. (1980), A Model of Reserves, Bank Runs and Deposit Insurance, Journal of Banking and Finance 4, 335-344
   Gorton, G. Bank Suspension of Convertibility, Journal of Monetary Economics 15, 177-193

2. Default Contagion in the Interbank Market: Basic Theoretical Models


3. **Default Contagion in the Interbank Market: The Traditional Approach**


4. **Default Contagion in the Interbank Market: New Computational Approaches**


5. **Default Contagion due to joint Exposures and Portfolio Overlaps**


6. **The stylized facts of interbank financial connections**


7. **Too big to fail? Identifying Systematically Important Banks**

   Tarashev, A. et al., Attributing Systemic Risk to Individual Institutions, BIS Working Paper no. 308


8. **Are Banks too interconnected to fail?**

   Kaushik, R., Battiston, S., Credit Default Swaps Drawup Networks: Too Interconnected to Be Stable? PLoS ONE 8(7)


9. **Is the Financial Sector Oversized?**


   Cecchetti S. G. and E. Kharroubi, Reassessing the impact of finance on growth, BIS Working Papers no 381.


10. **Bailouts of Banks: cause of Moral Hazard or Value Added?**


**Supervisors:** Prof. Thomas Lux, Dr. Jaba Ghonghadze