

GRADUATE – Disciplines Menu
Doctorate and Masters in Economics

DISCIPLINE: Currency and Banks Mechanisms	CODE: MDPEMF012
ACRONYM: MMB	
PROFESSOR: Ricardo de Oliveira Cavalcanti	WORKLOAD: 40h CREDIT HOUR: 4
MANDATORY: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	COURSE: <input type="checkbox"/> M <input type="checkbox"/> D <input checked="" type="checkbox"/> MD
PREREQUISITES:	
CONCENTRATION AREA: Monetary and Fiscal Economy and	
STUDY PLAN	
<p>Course in Currency and Banks Mechanisms</p> <p>Conventional bank liquidity models</p> <ul style="list-style-type: none"> · The model of fixed coefficients of Phillips [Niehans] · The model of random reserves of Edgeworth · The model of optimization of reserves [Orr-Mellon] Evidence on bank stability · Cases of Free Banking in Europe [White] · Cases of Free Banking in America [Rolnick-Weber] · U.S. monetary history [Friedman] Theories of modern liquidity · The bank run model of Diamond and Dybvig [Wallace] · The Lucas's signal-extraction model [Wallace] · The medium of exchange model of Kiyotaki and Wright [Cavalcanti et alli] · The private currency model [Cavalcanti at alli] · The model of banking mechanisms [Cavalcanti and Wallace] Extra topics (if there is time) · The model of multiple currencies [Cavalcanti] · The model of capital intermediation with currency [Cavalcanti] · The model of interest with endogenous currency [Cavalcanti and Wallace] 	
GOALS	
BIBLIOGRAPHY	
<ul style="list-style-type: none"> · Niehans, Jürg. (1969). Monetary Theory · Edgeworth, Francis Y. (1888). The Mathematical Theory of Banking. J. Royal Statis. Soc. 51: 113-27. · Orr, Daniel, and Mellon, Walter G. (1961). Stochastic Reserve Losses and Expansion of Banking Credit. A.E.R. 51:614-23. · White, Laurence H. (1984). Free Banking in Britain: Theory, Experience, and Debate, 1800-1845. Cambridge: Cambridge Univ. Press, 1984. 	

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- Rolnick, Arthur J., and Weber, Warren E. (1984). The Causes of Free Bank Failure: A Detailed Examination. *J. Monetary Econ.* 14: 267-91.
- Friedman, Milton. (1959). *A Program for Monetary Stability*. New York: Fordham Univ. Press.
- Diamond, Douglas W., and Dybvig, Phillip H. (1983) Bank Runs, Deposit Insurance, and Liquidity. *J. of Political Economy* 91:401-19.
- Cavalcanti, Ricardo de O., Erosa, Andres, and Temzelides, Ted. (1999). Private Money and Reserve Management in a Random-Matching Model. *J. of Political Economy* 107:929-45.
- Cavalcanti, Ricardo de O., Wallace, Neil. (1999). Inside and Outside Money as Alternative Media of Exchange. *J. of Money, Credit, and Banking* 31:443-57.