Why should I take this course?

Financial crises are a fact of life. The last one had huge implications. If you want to find out what went wrong, this is the class to take.

Who is the guest speaker?

Doug Braunstein was the CFO at JP Morgan Chase during the financial crisis. He was personally involved in a number of the key events during the crisis. We will talk about the AIG rescue and take questions about other topics that we will cover. He is making a special trip to Chicago to see us on May 8.

What should I do if I am taking this class as one of my “take 3” and cannot register until after week 1?

There will always be room in at least one of the two sections. So you should complete the information sheet and bring that to class and download the week 1 assignment from my teaching page. You should hand in the case assignment for week 1 and we will grade it, even if you are not registered as of week 1. You are responsible for that assignment.

What is the difference between this class and Money and Banking?

That class only tangentially touches on crises. That class would be a good class to have had before taking this one, but the overlap is minimal and students that take both classes report that they go well together.

What is the difference between this class and Understanding Central Banks?

That class is all about central banking. This one is much broader. We cover some actions by central banks, but they are not the featured actors. There is one week where I will cover Greece and a euro exit in both classes, but otherwise the topics are very different. There are many students who take both classes and tell me that there is little overlap.

Why do you grade so heavily on class participation? Doesn’t it give an “unfair” advantage to people who are more familiar with the material in the first place?

Life is unfair. There are always plenty of people with whom you will be dealing who have a different background and perhaps have an edge. The sooner you accept this and stop worrying about it, the more time you have to make up for it.
I have found that cold calling and grading on participation makes the discussions much more interesting. The students are better prepared and we can go much deeper because everyone is prepared.

Because I want a true dialogue where everyone is engaged in the class is why I do not allow pass fail grading (or auditors). It is too disruptive to have people shuffling in and out of class and/or not paying attention.

**Why do you penalize people for missed class time?**

The course is organized around discussions and if you are not present then you are definitely not learning the material and not contributing to the learning your classmates. Attending the class and being prepared are the two key things to succeeding in this course and grading reflects that.

**Why do you make us solve the cases on our own?**

I require some individual effort for the same reason that I grade the cases in the first place. Having a group where the members take turns doing the work undermines the learning. The point of the cases is to prepare you to get the most out of our class discussions; I do not expect most people to be able to fully answer the questions in advance, but I do expect you to understand the material once we have gone over it.

Keep in mind that I do allow you to discuss the cases, but I want everyone to have made a serious attempt on their own before any discussions start. (The percentage of your grade that will be determined by the case write ups is sufficiently low that anyone who makes a serious attempt at solving them will not suffer.)

**Why don’t you give out solutions to the cases?**

Because I want to be able to use these cases in the future. If the answers are distributed they will find there way into future students hands and ruin the cases. I am very happy to go over the details of what I put up in class with you individually or in groups.

**What has changed since the last time you taught the class?**

I have a different guest speaker: which means that 10% of the material will be totally new. I reserve the last 2 weeks of the class to cover issues that might come up. For instance, depending on what happens with Brexit, we might discuss that. I also have some new research on macroprudential policy that I will cover and I intend to include more material from my experience serving on the Bank of England Financial Policy Committee. I would guess that overall about ¼ of the material will be new.
Why does this class only count as a finance elective?

There is an arms race to have classes count towards multiple requirements. I think this is unhealthy and want to set a good example for my colleagues. It is clear that the main set of tools and concepts in this class relate to financial economics. We cover some macro topics, but so do lots of other classes and you have to draw the line somewhere.

Can I see a detailed week-by-week outline of the topics we are going to cover?

Yes, you can download the syllabus and it gives all of this information on the last page of the document. If after reviewing the syllabus you still have questions, please send me an email and I will try to answer them.

Why don’t you allow auditors?

Because I get a huge number of requests and especially for the guest speaker we would have a stampede of people cherry-picking those classes. There is no way for me to fairly determine who does and does not have a legitimate constraint that precludes taking the class for credit. So I advertise in the curriculum guide that auditors are not permitted and no one who does any investigation at all about the class can be surprised about this policy.

Why don’t you offer early grades?

Most of the grade is based on the final exam and I won’t be able to have that prepared until final’s week. There is no reasonable way to give a grade without having a completed final and I need to compare the performance on the final to everyone’s performance to assign a grade.