

Institut für Volkswirtschaftslehre
- Monetary Economics and International Financial Markets –
Prof. Dr. Thomas Lux

MA-Seminar in Financial Economics

The seminar will cover a range of topics arranged around the overwhelming theme of network analysis of connections in the financial sphere and beyond (including current challenges to economic policy). Students register via the central seminar registration group on OLAT (“Seminar Registration MA-VWL”).

The submission deadline for the seminar paper is January 4th, 2021. A kick-off meeting will be held online at 08:30 a.m. on July 29th, 2020.

Students should contact Dr. Duc Thi Luu (d.t.luu@economics.uni-kiel.de) to receive information on how to join the online kick-off meeting.

Students are required to write a seminar paper (15 pages) and to present this paper, consisting of a 30 minutes oral presentation on their chosen topic and 5 minutes discussion of another topic, which will be randomly assigned. Successful participation is rewarded with 5 ECTS.

1. The Small World of Corporate Boards

Canyon, M. and Muldoon, M. R., The Small World of Corporate Bonds. *Journal of Business, Finance & Accounting*, 33, 2006, 1321-1343

Huang, X. et al., Identifying Influential Directors in the United States Corporate Governance Network. *Physical Review E*, 84, 2011, 046101

Hwang, B.-H. and Kim, S., It Pays to Have Friends. *Journal of Financial Economics* 93, 2009, 138-158

2. Friendship Networks and Management Decisions

Engelberg, J. et al., Friends with Money. *Journal of Financial Economics* 103, 2012, 169-188

Nguyen, B. D., Does the Rolodex Matter? Corporate elite's Small World and the Effectiveness of Boards of Directors. *Management Science* 58, 2012, 236-252

3. International Trade from a Network Perspective

De Benedictis, L. and Tajoli, L., The World Trade Network. *The World Economy* 34, 2011, 1417-1454

Fagiolo, G. et al., Null Models of Economic Networks: The Case of the World Trade Web. *Journal of Economic Interaction and Coordination* 8, 2013, 75-107

4. International Trade as a Multiplicity of Network Structures

Gemmetto, V. et al., Multiplexity and Multireciprocity in Directed Multiplexes. *Physical Review E* 94, 2016, 042316

Maluck, J. and Donner, R. V., A Network of Networks Perspective on Global Trade. *PLoS one* 10, 2015, e0133310

5. International Finance and Contagion from a Network Perspective

Kanno, M., Assessing Systemic Risk Using Interbank Exposures in the Global Banking System. *Journal of Financial Stability* 20, 2015, 105-13

Korniyenko, Y. et al., Evolution of the Global Financial Network and Contagion: A New Approach. *IMF Working Paper* 18/113 2018

6. Systemic Risk in the Banking Sector

May, R. M. and Arinaminpathy, N., Systemic Risk: the Dynamics of Model Banking Systems. *Journal of the Royal Society Interface* 7, 2010, 823-83

Arinaminpathy, N. et al., Size and Complexity in Model Financial Systems. *Proceedings of the National Academy of Sciences of the United States of America*, 109, 2012

Krause, A. and Giansante, S., Interbank Lending and the Spread of Bank Failures: A Network Model of Systemic Risk. *Journal of Economic Behaviour & Organization* 83, 2012, 583-608

7. Bank Balance Sheets and Financial Contagion

Huang, X. et al., Cascading Failures in Bi-partite Graphs: Model for Systemic Risk Propagation. *Scientific Reports* 3, 2013, 1219

Silva, T. C. et al., Bank Lending and Systemic Risk: A Financial-Real Sector Network Approach with Feedback. *Journal of Financial Stability* 38, 2018, 98-118

8. Systemic Risk and Network Characteristics in the Interbank Market

León, C. et al., Identifying Central Bank Liquidity Super-Spreaders in Interbank Funds Networks. *Journal of Financial Stability* 35, 2018, 75-92

Aldasoro, I. and Alves, I., Multiplex Interbank Networks and Systemic Importance: An Application to European Data. *Journal of Financial Stability* 35, 2018, 17-37

9. Socio-Economic Responses to and Macroeconomic Consequences of the COVID Health Crisis

Eichenbaum, M. et al., The Macroeconomics of Epidemics. *Working Paper*, Northwestern University, 2020

Eichenbaum, M., S. et al., The Macroeconomics of Testing and Quarantining. *NBER Working Papers 27104*, National Bureau of Economic Research

10. Socio-Economic Responses to COVID: The Role of Behavioral Changes and Networks

Tolić, D. et al., Simulating SIR Processes on Networks Using Weighted Shortest Paths. *Scientific Report* 8, 2018, 6562

Eksin, C. et al., Systematic Biases in Disease Forecasting – the Role of Behavior Change. *Epidemics* 27, 2019, 96-105

Block, P. et al., Social Network-Based Distancing Strategies to Flatten the COVID-19 Curve in a Post-Lockdown World. *Nature Human Behavior* 4, 2020, 588-596

Further information:

Topic supervisors:

Topic 1-5: **Duc Thi Luu** (d.t.luu@economics.uni-kiel.de)

Topics 6-10: **Lutz Honvehlmann** (honvehlmann@economics.uni-kiel.de)

Introductory literature on networks: Students who are new to network analysis are encouraged to familiarize themselves with the basic elements of network modelling using the following reference or related literature:

Network Science by Albert-László Barabási, <http://networksciencebook.com/>