



Universität Hamburg

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Fachbereich VWL / Department of Economics

EconNewsletter

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JUNE 6 – JUNE 10, 2016

NEWSLETTER 2016-13

SEMINAR CALENDAR

Research Seminar “Labour Economics”

Michèle Belot, Edinburgh University:
*Changing dietary habits: A field experiment with low
income households*

Monday June 6
16:30-18:00
R. 0029 (VMP 5)

Forschungsseminar “Quantitative Wirtschaftsforschung“

Kerstin Bernoth, DIW, Berlin:
Monetary Policy and Asset Mispricing

Tuesday June 7
12:15–13:45
R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics

Prof. Francesco Parisi, University of Minnesota Law School:
Efficient vs. Immoral Breach: An Experiment

Wednesday June 8
18:15–19:45
R. 1083a (VMP 5)

Research Seminar “Microeconomics”

Philipp Kircher, University of Edinburgh:
Assortative Matching With Large Firms

Thursday June 9
17:00–19:00
R. 0029 (VMP 5)

PhD Seminar

Hendrik Bruns, University of Hamburg:
*Does it matter who intervenes how? A laboratory
climate protection experiment*

Thursday June 9
12:15–13:15
R. 0029 (VMP 5)

Research Seminar “Labour Economics”

- no seminar -

ABSTRACTS

Forschungsseminar “Quantitative Wirtschaftsforschung“

Kerstin Bernoth, DIW, Berlin:

Monetary Policy and Asset Mispricing

Abstract:

This paper investigate, whether conventional interest rate policy of central banks is a suitable instrument to attenuate excessive mispricing} in stocks as suggested by the proponents of a “leaning against the wind” (LATW) monetary policy. We argue mispricing can arise for two reasons: (i) from false subjective expectations of investors about future fundamentals and equity premia, and (ii) from the inherent indeterminacy in asset pricing in line with rational bubbles under objective expectations. Employing a partial equilibrium asset pricing model, we show that the response of the excessive stock price component to a monetary policy shock is ambiguous in both the short- and long-run, and depends on the nature of the mispricing. Subsequently, we evaluate the scope for a LATW policy empirically by employing a time-varying parameter VAR with a flexible identification scheme based on impact and long-run restrictions using data for the S&P500 index from 1962Q1 to 2014Q4. We find that a contractionary monetary policy shock in fact lowers stock prices beyond what is implied by the response of their underlying fundamentals.

Research Seminar “Microeconomics”

Philipp Kircher, University of Edinburgh:

Assortative Matching With Large Firms

Abstract:

Technological progress allows firms to scale production processes over an increasingly large number of workers. This affects the size of the firm as well as the skill level of its workforce. We propose a unifying theory of production where management resolves a tradeoff between hiring more versus better workers. The span of control or size is therefore intimately intertwined with the sorting pattern. We provide a condition for sorting that captures this tradeoff between the quantity and quality of workers and that generalizes Becker's sorting condition. A system of differential equations determines the equilibrium allocation, the firm size and wages. We illustrate the theory using German matched employer data, and apply it to analyze quantity-biased technological change in conjunction with skill-biased technological change. We find that quantity-biased technological change is sizable and important. Moreover, it partially dampens the skill-premium, which would have increased even more. Skill-biased technological change is therefore even larger than the increase in the skill premium indicates.

The next EconNewsletter will be published on Monday, June 13, 2016.

Editorial deadline: Friday, June 10, 2016.

EconNewsletter

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