

**Recent Developments of Dynamic Analysis in Economics --
30 Years after Macroeconomics and Reality
(Conference in Honor of Christopher Sims)**

May 25-27, 2011

Part I: “Recent Developments of Dynamic Analysis in Economics”

May 25-26, Seoul National University (SNU) Hoam Faculty House

Part II: “Macroeconomics and Policy Analysis after the Crisis”

May 27, Korea Development Institute (KDI) Main Conference Hall

Wednesday, May 25 (Seoul National University)

8:30 - 9:00	Registration	
9:00 - 9:10	Welcoming Remarks	In June Kim (SNU)
9:10 - 10:10	Keynote Speech:	Thomas Sargent (NYU)
10:10 – 10:20	Coffee Break	
10:20 – 11:20	Session I:	<u>Dynamic Analysis of Macroeconomic Fluctuations</u>
		Fabio Canova (CREi) “Bridging DSGE Models and the Raw Data”
		Marco Del Negro (NY Fed) “Rare Large Shocks in the U.S. Business Cycles”
11:20 – 11:30	Coffee Break	
11:30 – 12:30	Session II:	<u>Dynamic Analysis and Fiscal Factors</u>
		Eric Leeper (Indiana University) “The Fiscal Multiplier Morass: a Bayesian Perspective”
		Jinill Kim (Korea U), Sunghyun Kim (Suffolk U) “How Much to Share: Fiscal Transfers in Europe”

12:30 – 1:30	Lunch
1:30 – 2:30	Keynote Speech: Christopher Sims (Princeton University)
2:30 – 2:40	Coffee Break
2:40 – 3:40	Session III: <u>Econometric Analysis of Dynamic Macro Models</u> Harald Uhlig (University of Chicago) “Bayesian Estimation of a DSGE Model with Asset Prices” Tao Zha (Atlanta Fed, Emory University) “Confronting Model Misspecification in Macroeconomics”
3:40 – 3:50	Coffee Break
3:50 – 5:20	Session IV: <u>DSGE Model Approach to Macroeconomic Phenomena</u> Jae Won Lee (Rutgers University) “Sectoral Price Facts in a Sticky-Price Model” Woong Yong Park (Princeton University) “Evaluation of DSGE Models: With an Application to a Two-Country DSGE Model” Tack Yun (Seoul National University) “Durable Goods and Persistent Recession”

Thursday, May 26 (Seoul National University)

9:10 - 10:10	Keynote Speech: Lars Hansen (University of Chicago)
10:10 – 10:20	Coffee Break
10:20 – 11:20	Session V: <u>Asset-Pricing in Macroeconomics and International Finance</u> Fumio Hayashi (University of Tokyo) “Emerging Market Currency Risk Premium”

Bong-Soo Lee (Florida State University)

“Mispricing in Asset Prices Due to the Inflation Illusion”

11:30 – 12:30 Session VI: **Estimation and Inference for Finance and Macroeconomic Models**

Kim, Jae-Young (Seoul National University)

“Limited Information Analysis in DSGE Models”

George Tauchen (Duke University)

“Realized Laplace Transformation for Estimation of Jump Diffusive Volatility Models”

12:30 – 1:30 Lunch

1:30 – 2:30 Keynote Speech: **John Geweke** (University of Iowa)

“Prediction with Macroeconomic Models”

2:30 – 2:40 Coffee Break

2:40 – 4:10 Session VII: **Bayesian Econometrics**

Chang-Jin Kim (Korea University, University of Washington)

“Bayesian econometrics”

Rob Kohn (University of New South Wales)

“Auxiliary particle filtering within adaptive Metropolis-Hastings Sampling”

Ulrich Muller (Princeton University)

“Measuring Prior Sensitivity and Prior Informativeness in Large Bayesian Models”

4:10 – 4:20 Coffee Break

4:20 – 5:50 Session VIII: **Issues in the Empirical Dynamic Models**

Andriy Norets (Princeton University)

“Semi-Parametric Inference in Dynamic Binary Choice Models”

Soyoung Kim (Seoul National University)

“Generalized Forecast Error Variance Decomposition”

Toshiaki Watanabe (Hitotsubashi University)

“Bayesian Analysis of Time-Varying Parameter Vector Autoregressive Model with the Ordering of Variables for the Japanese Economy and Monetary Policy”

Seokun Yoon (Statistics Korea)

“Dynamic Business Cycle Analysis”

Friday, May 27 (KDI)

8:30 - 9:00 Registration

9:00 - 9:10 Welcoming Remarks **Oh-Seok Hyun** (President of KDI)

9:10 - 10:20 Keynote Speech: **Lars Hansen** (University of Chicago)

Introduction by **Dongsoo Kang** (KDI)

10:20 – 10:30 Coffee Break

10:20 – 12:00 Session I: **Macroeconomics after the Crisis**
(Chair) **Christopher Sims** (Princeton University)

Harald Uhlig (University of Chicago)

“Economics and Reality”

Tao Zha (Atlanta Fed, Emory University)

“Identifying Sources of the Cyclicalities of Capital Productivity Dispersions through Financial Frictions?”

12:00 – 1:30 Lunch

1:30 – 3:00 Session II: **Trends in Monetary Policy Analysis**

Marco Del Negro (NY Fed)

“The Great Escape? A Quantitative Evaluation of the Fed's Non-Standard Policies”

Fabio Canova (CREi)

“Fiscal Policy, Pricing Frictions, and Monetary Policy Accommodation”

3:00 – 3:15 Coffee Break

3:15 – 4:45 Session III: **Resurgence of Fiscal Policy Analysis**

Eric Leeper (Indiana University)

“Fiscal Stress and Inflation”

Sangdal Shim (KDI)

“Government Debt and Prices: Another Connection and Evidence”

4:45 – 5:30 Panel Session

(Chair) **Christopher Sims** (Princeton University)

Lars Hansen (University of Chicago)

Harald Uhlig (University of Chicago)

Tao Zha (Atlanta Fed, Emory University)

Marco Del Negro (NY Fed)

Fabio Canova (CREi)

Eric Leeper (Indiana University)

Moon-Soo Kang (KDI School)

Sangdal Shim (KDI)

Jong-Won Yoon (Ministry of Strategy and Finance)

Jinill Kim (Korea University)

Co-Host/Support

Department of Economics of Seoul National University, Korea Development Institute,
SNU Institute for Research in Finance and Economics, Seoul Journal of Economics,
Korean Economic Association, Statistics Korea, Korean Econometric Society.

Organizers: Moon-Soo Kang, Jae-Young Kim, Jinill Kim, Soyoung Kim, Sang-Dal Shim, Tack Yun

Local Organizing Committee

Jae-Young Kim, Jinill Kim, Sejik Kim, Soyoung Kim, Young-Sik Kim,
Sok-Bae Lee, Keunkwan Ryu, Tack Yun, Yoon-Jae Whang

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Locations

1. Hoam Faculty House, Seoul National University (May 25-26)



2. Korea Development Institute (KDI) (May 27)

