Tenth Annual Missouri Economics Conference  
March 26-27, 2010  
University of Missouri-Columbia  
Hosted by:  
The Department of Economics at the University of Missouri-Columbia  
and the Research Division of the Federal Reserve Bank of St. Louis

- All sessions are in the Reynolds Alumni Center  
- Only presenting authors are listed on this program  
- Registration Table outside room 202, Reynolds Alumni Center  
- Papers are posted as received at: http://research.stlouisfed.org/conferences/moconf/2010/

FRIDAY, MARCH 26, 2010

Continental Breakfast – 8:00 a.m. (alcove next to Registration Table)

Concurrent Session I – 9 a.m.-11 a.m.

A: Room 208D  Education and Learning

"How do Transfer Students Perform in Economics? Evidence from Intermediate Macroeconomics”  
Carlos J. Asarta (University of Nebraska-Lincoln)

"University Competition and Grading Standards”  
Sergey V. Popov (University of Illinois)

“Student-Teacher Ratios in Public and Private Schools”  
John Stone (Indiana University)

“A Non-Experimental Evaluation of Curricular Effectiveness in Math”  
Cory Koedel (University of Missouri-Columbia)

B: Room 208A  Empirical Monetary Policy

"Had the Fed Driven Interest Rates Too Low for Too Long, Causing the Housing Bubble?"  
Han Li (University of Kansas)

“Double Contagion: The Impact of “Globalization and Exchange Rate Regime on Financial Fragility”  
Maxim Nikitin (State University-Higher School of Economics)

“Empirical Tests of Measuring Monetary Policy”  
Lili Chen (University of Kansas)

C: Room 204  Trade and Policy

"On the Relationship between Trade Openness and Government Size: Does Disaggregating Government Expenditure Matter?"  
Manish Pandey (The University of Winnipeg)

"Strategic Trade Policies under Monopsony and Uncertainty: The Exporter’s Non-Linear Responses Based on the Organization of Its Export Industry”  
Manitra A. Rakotoarisona (Food and Agriculture Organization of the United Nations)

“On the Robustness of the Trade-Inducing Effects of Trade Agreements and Currency Unions”  
Jayjit Roy (Southern Methodist University)
“Investigating Home Bias within United State Over Time”
Kazi Sabbir Ahmed (Southern Illinois University – Carbondale)

**D: Room 208C  Applied Game Theory**

“Can Forgetfulness Make Us Better Off?”
Jie Zheng (Washington University in St. Louis)

“Sympathy and Punishment: A Road to Stable Cooperation”
Fei Tan (Indiana University Bloomington)

“Evaluating Required Job Search Training: A Regression Discontinuity Design”
Peter Mueser (University of Missouri-Columbia)

“Auctioning the Right to Choose When Competition Persists”
Ron Harstad (University of Missouri-Columbia)

**E: Room 211  Optimal Policy**

“Optimal Government Policies in Models with Heterogeneous Agents”
Michal Kejak (New York University)

“The Macroeconomics Effects of a Negative Income Tax”
Martin Lopez-Daneri (The University of Iowa)

“A Tax Amnesty in the Context of a Developing Economy”
Michael Jetter (University of Memphis)

“The Effect of Learning-by-doing on Optimal Taxation”
William B. Peterman (University of California, San Diego)

*Refreshment Break – Coffee, Juice, Tea, Soda – 11 a.m.-11:30 a.m. (alcove next to Registration Table)*

**Concurrent Session II – 11:30 a.m.-1:30 p.m.**

**A: Room 208D  Monetary Economics**

“Credit Markets, Credit Limits, and Credit Cycles”
Chao Gu (University of Missouri – Columbia)

“Cashless Payment with Directed Search”
Yung-Hsing Wang (The University of Iowa)

“Learning to Love Money”
Sergey V. Popov (University of Illinois)

“A Note on the Optimality of the Friedman Rule in the Lagos-Wright Model”
Tao Peng (Southwestern University of Finance and Economics)

**B: Room 208C  Business Cycle Lessons**

“Contagion of Liquidity Crisis between Two Firms”
Dong Chuhl Oh (Washington University in St. Louis)

“Fiducial Distribution Confidence Intervals for Threshold Models with an Application to Credit Market Crises”
Luiggi Donayre (Washington University in St. Louis)
“Calling and Timing Recessions”
Randall Hoven (Southern Illinois University at Edwardsville)

“A Structural Explanation of Comovements in Inflation across Developed Countries”
Jesus A. Bejarano (Texas A&M University)

C: Room 211  Risky Debt

“Private Debt with Pervasive Risk of Default”
Xiang Gao (Iowa State University)

“Credit Constraints and Consumer Spending”
Kimberly Beaton (Bank of Canada)

“The Impact of Personal Bankruptcy on Labor Supply Decision”
Tzu-Ying Chen (University of Texas at Austin)

“Mutualization of Default Risk, Fungibility, and Moral Hazard: The Economics of Default Risk Sharing in Cleared and Bilateral Markets”
Craig Pirrong (University of Houston)

Lunch Break – Deli Buffet – 1:30 p.m.-2:30 p.m.
(Alcove next to Registration Table)  Name Tag admits you to lunch.

Concurrent Session III – 2:30 p.m. - 4:30 p.m.

A: Room 208D  Growth and Entrepreneurship

“Productive Entrepreneurship and Economic Development with Limited Contract Enforcement”
Rasim Burak Uras (Washington University in St. Louis)

“Technology-Skill Complementarity and International TFP Differences”
Beatrice Farkas (FIT-SUNY)

“The Emergence, Limit, and Distortion of Firm: Entrepreneurship Approach”
Jong Chul Won (University of Missouri- Columbia)

B: Room 208A  Monetary

“Are U.S. Banks too Large?”
David Wheelock (Federal Reserve Bank of St. Louis)

“Illiquidity, Insolvency, and Banking Regulation”
Jin Cao (University of Munich)

“A Study on the Heterogeneity of Welfare Cost of Inflation in China”
Xuan Zhou (Indiana University, Bloomington)

C: Room 204  Aggregate Fluctuations

“Term Structure of Interest Rates in a Regime Switching Dynamic Stochastic General Equilibrium Model”
Kyu Ho Kang (Washington University in St. Louis)

“Risk Premia for Regime Shifts in Monetary Policy and Volatility in a Term Structure of Interest Rates”
Azamat Abdymomunov (Washington University in St. Louis)
“Employment Comovements at the Sectoral Level over the Business Cycle”
Steven P. Cassou (Kansas State University)

“Common Fluctuations in OECD Budget Balances”
Christopher Neely (Federal Reserve Bank of St. Louis)

D: Room 208C  Public Policy

“Female Autonomy and Health Care in Developing Countries: A Closer Look at Uttar Pradesh and Bihar”
Sharmistha Self (Missouri State University-Springfield), Richard Grabowski (Southern Illinois University-Carbondale)

“Male Backlash, Bargaining, or Exposure Reduction?: Women’s Working Status and Physical Spousal Violence in India”
Yoo-Mi Chin (Missouri University of Science and Technology)

“Early vs. Late Cessation in Pregnancy: What is the Deadline for Smoking Mothers to Quit?”
Ji Yan (Washington University in St. Louis)

E: Room 211  Exchange Rates

“Long Run Convergence of Real Exchange Rates: Mixed Evidence Under the Common Feature”
Mingming Zheng (University of Kansas)

“Endogenous Private Transfer and Real Exchange Rate Dynamics in a Two-Sector Dependent Economy”
A.K.M. Mahbub Morshed (Southern Illinois University-Carbondale)

Refreshment Break – Coffee, Tea, Soda – 4:30 p.m.-5:00 p.m. (alcove next to Registration Table)

Plenary Session I – 5:00 p.m.-6:00 p.m. (Cornell Auditorium, Cornell Hall)

“Nominal Anomalies”
Finn Kydland, Professor of Economics, UC Santa Barbara, and Nobel Laureate

Happy Hour – 6:00 p.m. (Reynolds Alumni Center, Great Room)

Dinner – 7:30 p.m. (Reynolds Alumni Center, Great Room)
“Check in” at the table outside the Great Room to get your dinner entrée card.

SATURDAY, March 27, 2010

Continental Breakfast – 8:30 a.m. (alcove next to Registration Table)

Plenary Session II – 9:30 a.m.-10:30 a.m., Room 208C

“Monetary Policy in the XXI Century?”
Michele Boldrin, Professor of Economics, Washington University in St. Louis

Refreshment Break – Coffee, Juice, Tea, Soda – 10:30 a.m. – 10:45 a.m. (alcove next to Registration Table)
Concurrent Session IV – 10:45 a.m.-12:45 p.m.
A: Room 208D  Economic Dynamics

“Government Debt, Bequests, and Life Insurance”
Edward Hoang (University of Memphis)

“Recent Trends in Household Income Dynamics for the United States, Germany and Great Britain”
Sisi Zhang (IMPAQ International)

B: Room 208A  Time-Series Econometrics

“Endogenous Oil Shocks”
J. Isaac Miller (University of Missouri – Columbia)

“Why it is O.K. to use the HAR-RV (1,5,21) Model”
Mihaela Craioveanu (University of Central Missouri)

“A Time-Varying Threshold STAR Model of Unemployment”
Michael T. Owyang (Federal Reserve Bank of St. Louis)

“Predictions of Short-Term Rates and the Expectations Hypothesis of the Term Structure of Interest Rates”
Daniel Thornton (Federal Reserve Bank of St. Louis)

C: Room 204  “Green” Economics

“Vehicle Miles Traveled and Fuel Economy Efficiency”
Yizao Liu (University of Texas at Austin)

“Assessing the Impact of the Car Allowance Rebate System (CARS or “Cash for Clunkers”) on a Regional Economy: A Case Study of St. Charles County, MO”
Anthony Clark (Lindenwood University)

“To Learn or To Change: Optimal R&D Investments under Uncertainties in the Case of Climate Change”
Ruiqing Miao (Iowa State University)

“Biofuel Subsidies: An Open-Economy Analysis”
Subhayu Bandyopadhyay (Federal Reserve Bank of St. Louis)

D: Room 208C  Economics of Education

“Teacher Pension Incentives and the Timing of Retirement: Evidence from Missouri Administrative Teacher Data”
Michael Podgursky (University of Missouri-Columbia)

“Skill Premium, College Enrollment and Education Signals”
Yu Zheng (Washington University in St. Louis)

Box Lunch and Adjournment – 12:45 p.m.-2:00 p.m.

(Alcove next to Registration Table) Name Tag admits you to lunch.