

Assignment 5

Due: Thursday, May 30, 2013

1. Read the article by Frederic Mishkin, "Over the Cliff: From the Subprime to the Global Financial Crisis," in the *Journal of Economic Perspectives*, Winter 2011, pages 49-70. The course web page has a link to it under Additional Readings for the Interested.
2. Read the article by Christina Romer, "The Nation in Depression," in the *Journal of Economic Perspectives*, Spring 1993, pages 19-39.

Please write a short essay based on your reading of these overviews of the financial crisis and Great Depression. You may choose the article (or both) and topics raised in them on which to focus.

For example, you could choose to interpret the explanation of how a crisis led to a recession using the AS/AD models from our course, or discuss how policy errors led to a deepening of a recession into the depression. You could compare the policy responses or discuss how the policies used during the Great Recession reflect learning from the Great Depression. Another possible choice could be to explore some of the causes of the crisis doing a little additional research on the web.