



## Course Documents

**Classes 23 and 24**

[class notes](#) (2.059 Mb)

[Comin and Philippon \(2005\)](#) (342.27 Kb)

[Cooley et al. \(2004\)](#) (6.487 Mb)

[Gertler and Gilchrist \(1994\)](#) (744.56 Kb)

[Li and Weinberg \(2003\)](#) (270.651 Kb)

[Rampini \(2003\)](#) (200.588 Kb)

Part I: Business cycles and firms dynamics:

Gertler and Gilchrist (1994), Cooley et al. (2004), Li and Weinberg (2003), Rampini (2003)

Part II: Long-run trends in firm dynamics:

Comin and Philippon (2005), Davis et al. (2006)

**Classes 21 and 22**

[class notes here](#) (1,018.754 Kb)

[Dinlersoz and MacDonald \(2007\)](#) (1.127 Mb)

[Jovanovic and MacDonald \(1994\)](#) (1.005 Mb)

[Jovanovic and Tse \(2008\)](#) (556.442 Kb)

[Klepper \(1996\)](#) (771.903 Kb)

[Hopnehayn \(1993\)](#) (1.188 Mb)

[Wang \(2004\)](#) (1.347 Mb)

Industry life cycle

Evidence: Gort and Klepper (1982)

Theories: Hopnehayn (1993), Jovanovic and MacDonald (1994), Klepper (1996)

Recent working papers: Jovanovic and Tse (2008), Dinlersoz and MacDonald (2007), Wang (2004)

**Classes 19 and 20**

[class notes here](#) (969.785 Kb)

[paper here](#) (1.088 Mb)

[appendix to the paper](#) (207.821 Kb)

Endogenizing entry distribution

1. OC models

2. Costly adoption

3. Spin-outs (Franco and Filson, RAND 2006)

**Classes 17 and 18**

[class notes here](#) (985.6 Kb)

[paper here](#) (229.069 Kb)

Klette and Kortum (2004, JPE)

"Innovating Firms and Aggregate Innovations"

**Classes 15 and 16**

[class notes here](#) (1.074 Mb)

[Clelenti and Hopenhayn 2006 QJE](#) (187.139 Kb)

Endogenous Borrowing Constraints due to Private Information

1. Main properties of the optimal contract and firm dynamics implications

2. Short-term contingent debt contracts

3. The role of contingency

**Classes 13 and 14**

[Albuquerque and Hopenhayn \(2004\) paper](#) (285.63 Kb)

[class notes](#) (1.026 Mb)

Endogenous Borrowing Constraints due to Limited Enforcement

1. Example: no uncertainty

2. Generalization: uncertainty + liquidation

**Classes 11 and 12**

[hand-written notes here](#) (1.313 Mb)

[Vereshchagina and Hopenhayn \(2007\) paper - part 2](#) (4.872 Mb)

[Hasanaliyev \(2007\) paper - part 1](#) (238.69 Kb)

Endogenizing the productivity differences: examples

1. R&D investment

2. Borrowing constraints

**Classes 9 and 10 (02/12/08)**[hand written notes here](#) (1.016 Mb)

Melitz (2003) - continue

1. Properties of the equilibrium in the closed economy
2. The effect of trade exposure and trade liberalization

**Classes 6 and 7 (02/05/08)**[notes for the first part \(Hopenhayn\)](#) (578.302 Kb)[notes for the second part \(Melitz\)](#) (704.084 Kb)[Melitz' paper](#) (264.607 Kb)

1. Finish Hopenhayn's model
2. Start Melitz's model

**Classes 5 and 6**[my hand-written notes here](#) (1.198 Mb)[paper here](#) (579.593 Kb)

Hopenhayn (1992, Econometrica) "Entry, Exit.."

1. Motivation
2. Model setup
3. Existence, uniqueness and optimality of the equilibrium
4. Existence and uniqueness of the stationary equilibrium

**Class 4**[my hand-written notes here](#) (687.835 Kb)

Finishing Jovanovic (1992):

1. A formal (not graphical) argument for  $\text{corr}(\text{size}, \text{survival}) > 0$  (using either  $\theta$  or  $x_{\text{star}}$  as the state variable)
2. Size and growth rates: CD cost and exponential  $x(\eta) \Rightarrow$  Girat's law
3. Equilibrium: definition and optimality
4. Equilibrium properties: constant prices if  $q(\cdot)$  is concave in  $x!$

**Class 3**[my hand-written notes here](#) (537.546 Kb)

Jovanovic (1983), cont.:

The model's predictions regarding the correlation of

- 1) size and age
- 2) size and survival
- 3) age and survival
- 4) age and growth rates

**Class 2**[my hand-written notes here](#) (882.679 Kb)

Jovanovic (1983, Econometrica)

"Selection and the evolution of the industry"

1. The model setup
2. Choosing the set of state variables
3. Defining the firm's value

**Class 1: January 15**[slides - course introduction](#) (204.5 Kb)[paper here](#) (573.479 Kb)

1. Introduction to the course
2. Jovanovic "Selection and the Evolution of Industry" (Econometrica, 1982)

**Syllabus**[Syllabus 753.pdf](#) (108.977 Kb)**Papers for presentations**