

**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. Rakotoarisoa (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 Chuhi Oh (Washington University in St. Louis)

*“Fiducial Distribution Confidence Intervals for Threshold Models with an Application to Credit Market Crises”*  
Luigi 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.***