

Economics of Financial Markets

First Paper Topic

Due Tuesday, March 24. Just put your student ID number on the paper. Attach the paper as a Word file to an email (s.quinn@tcu.edu). I will use the posted grading rubric.

On March 12, 2009, the Federal Reserve will release (Z.1) the Flow of Funds numbers for the fourth quarter of 2008. Within the document, the FED breaks things down by who (households, corporations, etc.) and by what (stocks, bonds, etc.).

TOPIC

Use the March 24 Flow of Funds to explain what happened to the US financial system during the last three months of 2008.

By explain, I mean offer a story built around a thesis (argument). The economic analysis should try to relate the different sections we have covered so far: money, equity and debt. Use the release for data evidence, but you can use additional sources if you want.