

# Selected Reading List on Models of Money

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Econ 8701  
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## **Introductory**

1. Wallace, Neil. 1998. A dictum for monetary theory. FRB Minneapolis Quarterly Review 22: 20-26.
2. Wallace, Neil. 2006. Fiat Money.

## **Generation I**

1. Kiyotaki, Nobuhiro and Wright, Randall. 1989. On money as a medium of exchange. JPE 97: 927-54.
2. Kiyotaki, Nobuhiro and Wright, Randall. 1993. A search-theoretic approach to monetary economics. AER 83: 63-77.
3. Matsuyama, Kiminori; Kiyotaki, Nobuhiro; and Matsui, Akihiro. 1993. Toward a theory of international currency. REStud 58: 283-307.
4. Zhou, Ruilin. 1997. Currency exchange in a random search model. REStud 64: 289-310.
5. Ritter, Joseph. 1995. The transition from barter to fiat money. AER 85: 134-49.
6. Williamson, Stephen and Wright, Randall. 1994. Barter and monetary exchange under private information. AER 84: 104-23.
7. Brudett, Kenneth; Trejos, Alberto; Wright, Randall. 2001. Cigarette money. JET 99: 117-142.

## Generation II

1. Trejos, Alberto and Wright, Randall. 1995. Search, bargaining, money, and prices. *JPE* 103: 118-41.
2. Shi, S. 1995. Money and prices: A model of search and bargaining. *JET* 67: 467-96.
3. Wallace, Neil. 1997. Absence-of-double-coincidence models of money: A progress report. *FRB Minneapolis Quarterly Review* 21: 2-20.
4. Aiyagari, S. Rao and Wallace, Neil. 1997. Government transaction policy, the medium of exchange, and welfare. *JET* 74: 1-18.
5. Berentsen, Aleksander; Molico, Miguel; and Wright, Randall. 2002. Indivisibilities, lotteries, and monetary exchange. *JET* 107: 70-94.
6. Wright, Randall and Trejos, Alberto. 2001. International Currency. *Advances in Macroeconomics* 1:1-15.

## Generation III

1. Green, Edward J. and Zhou, Ruilin. 1998. A rudimentary random-matching model with divisible money and prices. *JET* 81: 252-271.
2. Taber, Alex and Wallace, Neil. 1999. A matching model with bounded holdings of indivisible money. *IER* 40: 961-84.
3. Zhou, Ruilin. 1999. Individual and aggregate real balances in a random matching model. *IER* 40: 1009-38.
4. Berentsen, Aleksander and Rocheteau, Guillaume. 2004. Money and information. *REStud* 2000: 1-30.
5. Shi, Shouyong. 1997. A divisible model of fiat money. *Econometrica* 65:75-102.
6. Zhu, Tao. 2003. Existence of monetary steady states in a matching model: indivisible money. *JET* 112: 307-324
7. Lagos, Ricardo and Wright, Randall. 2005. A unified framework for monetary theory and policy analysis. *JPE* 113: 463-484.
8. Lagos, Ricardo and Rocheteau, Guillaume. 2008. Money and capital as competing media of exchange. *JET* 142: 247-258.

9. Aruoba, S. Boragan and Wright, Randall. 2003. Search, money, and capital: A neoclassical dichotomy. *JMCB* 35: 1086-1105.
10. Lagos, Ricardo. 2008. Asset Prices and Liquidity in an Exchange Economy. Minneapolis Fed Staff Report 373.
11. Molico, Miguel. 2006. The Distribution of Money and Prices in Search Equilibrium. *IER* 47: 701-22.

**Denomination issues:**

1. Wallace, Neil and Zhou, Ruilin. 1997. A model of a currency shortage. *JME* 40: 555-72.
2. Lee, Manjong, Wallace, Neil and Zhu Tao. 2005. Modelling Denomination Structures. *Econometrica* 70: 949-960.

**Multiple assets:**

1. Aiyagari, S. Rao; Wallace, Neil; and Wright, Randall. 1996. Coexistence of money and interest-bearing securities. *JME* 37: 397-420.
2. Velde, Francois; Weber, Warren; and Wright, Randall. 1999. A simple model of commodity money with applications to Gresham's Law and the debasement puzzle. *RED* 2: 291-323.
3. T. Zhu and N. Wallace, Pairwise Trade and Coexistence of Money and Higher-Return Assets, *JET* 133: 524-535.

**Competitive Search**

1. Moen, Espen. 1997. Competitive search Equilibrium. *JPE* 105: 385-411.
2. Rocheteau, Guillaume and Wright, Randall. 2005. Money in Search Equilibrium, in Competitive Equilibrium, and in Competitive Search Equilibrium. *Econometrica*, 73: 175-202.
3. Shimer, Robert and Wright, Randall. 2004. Competitive Search Equilibrium with Asymmetric Information.

## **Money and Memory**

1. Kocherlakota, Narayana. 1998. Money is memory. JET 81: 232-51.
2. Kocherlakota, Narayana and Wallace, Neil. 1998. Optimal allocations with incomplete record-keeping and no-commitment. JET 81: 272-89.
3. Kocherlakota, Narayana. 2002. Two money theorem. International Economic Review 43: 333.

## **Models with Banks**

1. Cavalcanti, Ricardo; Erosa, Andres; and Temzelides, Ted. 1999. Private money and reserve management in a random matching model. JPE 107: 929-45.
2. Cavalcanti, Ricardo and Wallace, Neil. 1999. Inside and outside money as alternative media of exchange. JMCB 31: 443-57.
3. Cavalcanti, Ricardo and Wallace, Neil. 1999. A model of private bank-note issue. RED 2: 104-136.
4. Wallace, Neil and Zhu, Tao. 2007. The float on a note. JME 54: 229-246.
5. Ales, Laurence; Carapella, Francesca; Maziero, Pricila; and Weber, Warren. 2008. A model of banknote discounts. JET 142: 5-27.
6. Mills, David C., Jr. 2008. Imperfect monitoring and the discounting of inside money. IER forthcoming

## **Miscellaneous papers:**

1. Kocherlakota, Narayana. 2002. Societal benefits of illiquid bonds. JET 108: 179-93.