**Instructions**

In preparing your write-up, use the case material as background for your research. In some cases, I expect that you do a bit of extra research on the topic. For instance, you may take a look at the case’s footnotes, references, and more recent research papers for additional reading. Also, please read the special FT series on the Financial Crises Anniversary https://www.ft.com/creditcrisis and the FT Series “are we safer now”? https://www.ft.com/financial-crisis. Information on how to subscribe to FT.com is on Blackboard.

In answering some questions, your group must take a position and express and opinion. You must support your opinion with facts, theory, and empirical evidence. I want to see numbers! Be aware: numbers alone do not tell a story. You must analyze the numbers and tell a story around them. Use original sources, for instance reports from the Federal Reserve, international organizations (IMF, WB, BIS, etc), or academic research. Do not use blogs, Wikipedia, Investopedia, or press articles outside the FT, WSJ or the Economist as sources for your research and when expressing your opinion.

Your sources must be properly cited in the bibliography. Using someone else’s wording without quotation marks is considered plagiarism.

I will need a short write-up. At most 3 pages (exclusive of the bibliography, graphs), typed in 12 pts, 1.5 space, with one-inch margins. So, be concise and to the point. If the length of the answers exceeds the 3 pages (exclusive of the references, graphs, etc.), 5 points will be deduced from the final grade.

**Questions**

1. Research systemic risk: what is it? How do you detect it? Why is it so important and scary?

2. Was the Fed to blame for the Housing Price Bubble? Why and why not? What is the global savings glut and the Greenspan’s conundrum? What is the Taper Tantrum and how does it work?

3. Consider the period before the 2020 Covid-induced crisis. Clearly, some of the policy responses have not worked out as planned.

(a) What are the intended and unintended consequences? What suggestions would you add? (b) How well have policy makers, regulators, and supervisors performed? Explain.

4. Investigate the state of the US banking system and world financial system now. Where are the problems today? Is the 2020 crisis different from the 2007-08 financial crisis? Is the banking sector more resilient today than it was in 2007? Why?

5. “The only thing we learn from history is that we learn nothing from history” (Georg Wilhelm Friedrich Hegel, late 18th century German philosopher). Have regulators and policy makers learnt their lessons? Explain.

In general, I expect that each answer is supported by data analysis (data from the case and scientific outside sources). Show your work and clearly refer to the numbers used in your analysis to support your opinion and statements. Please clearly identify in the write-up the question that you are answering (Q1, Q2, etc...).