Short description
This course is a primer on systemic risk. Systemic risk is the risk of collapse of the entire financial system, possibly due to shocks that hit a specific financial institution (or a set of financial institutions), and then propagate to the entire system. It explains how systemic risk arises and impacts the financial sector, and presents different measures used to track and manage systemic risk, with simple Matlab examples and applications.

Detailed syllabus and reading list
The main topics covered in the this short course are the following:

1. What is systemic risk? Freixas et al. (2015)’s chapters 1–2; The roots of the "clean up after bubbles" approach (The Economist)

2. Contagion: Freixas et al. (2015)’s chapter 5

3. How to measure systemic risk: Freixas et al. (2015)’s chapter 7; Banco Popular CoCo bonds wiped out after Santander takeover (The FT)


Additional non-required references
Acharya et al. (2017); Benoit et al. (2016); Gorton and Ordoñez (2016); Schularick and Taylor (2012); Duffie (2010)
References


