

Course Instructor: Benjamin Lozano
Course Time: T/TH 12:00-1:45pm
Course Room: Crown Clrm 208
Office #: Humanities I Rm 235
Office Hrs: TH 2:30-3:30pm
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Market Crisis & the Future of Capitalism

HISC-139A

Introduction

This course examines the development and role of late 20th and early 21st century financial technologies in modern market crises. A rigorous approach to this topic requires an overview of financial markets (securities, OTC and exchange-traded derivatives), modern finance theory (portfolio theory, capital asset and options pricing models), related regulatory institutions (SEC, CFTC, FDIC, etc.), and an inquiry into what, if any, are their role in recent national and global financial crises. Why are there financial crises? What is the relation of financial technologies to financial crisis? What is the relation of human behavior to financial crisis? What is the future of market capitalism?

General Trajectory of the Course

The general trajectory of the course will roughly proceed as follows:

Week 1 will introduce our course objectives, and overview our key course themes. *Week 2* will establish some theoretical coordinates for analyzing financial markets, institutions, and technologies. *Week 3* will establish a historical counterpoint to recent financial crisis by observing the 1929 stock market crash, and the regulatory institutions that developed in its aftermath. Weeks 4-5 will examine recent financial technologies in more depth. Submission of the midterm essay (footnotes required) will follow.

Week 6-7 will examine the 2008 financial crisis and the technologies involved therein. *Weeks 8-10* will begin to put our knowledge to work, as we theorize financial technologies and the future financialization of market capitalism. Submission of the final essay (footnotes required) and an open-note bluebook exam will bring the course to a close.

Goal of the Course

This course serves as an introductory undergraduate course for the *Bruce Initiative on Rethinking Capitalism* (<http://www.rethinkingcapitalism.org>). This course aims to transcend the traditional and often unhelpful distinction between “conservative” and “progressive”, or “right-wing” vs. “left-wing” perspectives on finance and market capitalism, and in this respect seeks to pursue its object of analysis in much the same way a scientist would proceed –coolly, tentatively, perspicaciously, analytically, and relatively unencumbered by a specific political disposition. Careful attention to the themes of this course, as well as maintaining an open, contemplative, and analytical disposition, will result in a historically and theoretically informed understanding of market crisis & the future of capitalism.

Course Requirements

- A. Students are invited to attend all classes, arriving prepared to discuss the readings for that day – there are roughly 150 pages of reading each week.
- B. The grade breakdown is as follows: (1) Midterm Essay (5 pg) 20% (2) Final Essay (12 pg) 30% (3) Participation 10% (4) 2 of 3 pop-quizzes 20% (5) Final Exam 20%
- C. Miscellaneous: Consistent with the University’s Academic Integrity Policy, academic dishonesty will not be tolerated. Any infraction may be reported to the UC Academic Integrity Program for further investigation, and could result in disciplinary action. Those who are unclear of University policy on academic dishonesty are directed to the following sites:
http://www.ucsc.edu/academics/academic_integrity/undergraduate_students/#process
<http://library.ucsc.edu/science/instruction/CitingSources.pdf>

Required Texts

Dave Kansas, *Wall Street Journal Complete Money & Investing Guidebook*, Three Rivers Press, 2005
John Kenneth Galbraith, *The Great Crash: 1929*, Houghton Mifflin Company, 1954
Burton Malkiel, *A Random Walk Down Wall Street*, WW Norton & Company, 2007
Perry Mehrling, *Fischer Black and the Revolutionary Idea of Finance*, John Wiley & Sons, 2005
Gillian Tett, *Fool's Gold How the Bold Dream of a Small Tribe at J. P. Morgan Was Corrupted by Wall Street Greed and Unleashed a Catastrophe*, Free Press, 2009
George Akerlof & Robert Shiller, *Animal Spirits: How Human Psychology Drives the Economy and Why it Matters for Global Capitalism*, Princeton University Press, 2009
Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, Routledge, 1992
All other articles are found online (URL or *) or through the ecommons course site

Recommended Texts

John Kenneth Galbraith, *A Short History of Financial Euphoria*, Penguin Books, 1993
Charles Kindleberger, *Manias, Panics, and Crashes: A History of Financial Crisis*, Basic Books, 1979
Joel Seligman, *The Transformation of Wall Street: A History of the Securities and Exchange Commission and Modern Corporate Finance*, Houghton Mifflin Co. 1982
Meghnad Desai, *Marx's Revenge: The Resurgence of Capitalism & the Death of Statist Socialism*, Verso, 2002
Simon Clarke, *Marx's Theory of Crisis*, St. Martin's Press, 1994
Alfred Steinherr, *Derivatives: The Wild Beast of Finance*, John Wiley & Sons, 2000
Raghuran Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, Princeton University Press, 2010
Nouriel Roubini and Stephen Mihm, *Crisis Economics: A Crash Course in the Future of Finance*, Penguin Press, 2010
A. Shleifer, *Inefficient Markets: An Introduction to Behavioral Finance*, Oxford Univ. Press, 2000
Robert Shiller, *Irrational Exuberance*, Princeton University Press, 2005

Websites

Bruce Initiative on Rethinking Capitalism <http://www.rethinkingcapitalism.org>
Securities & Exchange Commission <http://www.sec.gov>
National Association of Securities Dealers <http://www.nasdaq.com>
Commodity Futures Trade Commission <http://www.cftc.gov>
CME Group <http://www.cmegroup.com/>
Museum of American Finance <http://www.financialhistory.org>
Ney York Stock Exchange <http://www.nyse.com>
NASDAQ <http://www.nasdaq.com/>
Market Watch <http://www.marketwatch.com>
The Wall Street Journal <http://www.wsj.com>
The Financial Times <http://www.ft.com/home/us>
US Treasury Department <http://www.ustreas.gov>
Federal Reserve <http://www.federalreserve.gov>
Standard & Poor's <http://www.standardandpoors.com/home/en/us>
US Bureau of Labor and Statistics <http://bls.gov>
National Bureau of Economic Research <http://www.nber.org>
Bank for International Settlements <http://www.bis.org/>
International Swaps and Derivatives Association <http://www.isda.org/>
Marxists Internet Archive <http://www.marxists.org>

Schedule

I. Introduction

A. 9/27. Preface

Required

The Wall Street Journal Complete Money & Investing Guidebook, Dave Kansas, Three Rivers Press, 2005, esp. chapters 1-5, 8-9

Recommended

Karl Marx, "Letter to Ruge", September 1843,

http://www.marxists.org/archive/marx/works/1843/letters/43_09.htm

Ian Hacking, *The Emergence of Probability*, Cambridge University Press, 1975 (1-48) (e)

Alain Badiou, *Number and Numbers*, Polity Press, 2008 (1-4, 211-214) (e)

John Kenneth Galbraith, *A Short History of Financial Euphoria*, Penguin Books, 1993 (e)

Alex Berenson, *The Number: How the Drive for Quarterly Earnings Corrupted Wall Street and Corporate America*, Random House, 2003

Charles Mackay, *Extraordinary Popular Delusions and the Madness of Crowds*, Farrar, Straus and Giroux, 1841

Itinerary

9/27. Introduction to the Course

B. 10/02-10/04. Historical & Conceptual Introduction to Finance

Required

a. Peter Bernstein, "Introduction" to *Against the Gods: The Remarkable Story of Risk*, John Wiley & Sons, 1996 (pg. 1-8) (e)

Robert Shiller, *Irrational Exuberance*, Doubleday, 2006, Ch. 1-2 (e)

Mahabharata, "Story of Nala & Damayanti" Parts I-III

http://www.mahabharataonline.com/stories/mahabharata_stories.php

The Book of Job [http://etext.virginia.edu/etcbin/toccer-](http://etext.virginia.edu/etcbin/toccer-new2?id=KjvBJob.sgm&images=images/modeng&data=/texts/english/modeng/parsed&tag=public&part=all)

[new2?id=KjvBJob.sgm&images=images/modeng&data=/texts/english/modeng/parsed&tag=public&part=all](http://etext.virginia.edu/etcbin/toccer-new2?id=KjvBJob.sgm&images=images/modeng&data=/texts/english/modeng/parsed&tag=public&part=all)

The Book of Genesis, chapters 37-42, <http://www.bartleby.com/108/01/>

b. Fritz Heichelheim, *An Ancient Economic History: From the Palaeolithic Age to the Migrations of the Germanic, Slavic, and Arabic Nations (Volume I)*, A.W. Sijthoff-Leyden, 1965 (selections) (e)

Recommended

Meir Kohn, "Bills of Exchange & the Money Market to 1600", 1999

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=151849

Benjamin Bromberg, "The Origin of Banking: Religious Finance in Babylonia", *The Journal of Economic History*, Vol.2, No.1, (May 1942) pg. 77-88

Meir Kohn, "Finance Before the Industrial Revolution", 1999,

<http://www.dartmouth.edu/~mkohn/Papers/99-01.pdf>

--- "Medieval and Early Coinage and Its Problems", 1999,

<http://www.dartmouth.edu/~mkohn/Papers/99-02.pdf>

--- "Early Deposit Banking", 1999, <http://www.dartmouth.edu/~mkohn/Papers/99-03.pdf>

Itinerary

10/02. Historical & Conceptual Introduction: Numbers, Crisis, Risk

10/04. Historical & Conceptual Introduction: Classical Exchange, Generic Finance, Synthetic Finance

II. Market Crisis: Conceptual Foundations

A. 10/09-10/11. Classical Exchange, Generic Finance, Value

Required

- a. Karl Marx, *Capital* Vol. I, Chapter 1-3, <http://www.marxists.org/archive/marx/works/1867-c1/>
 - b. Karl Marx, *Capital* Vol III, Chapter 29 <http://www.marxists.org/archive/marx/works/1894-c3/ch29.htm>
- Marx Glossary of Terms, "Fictitious Capital" <http://www.marxists.org/glossary/terms/f/i.htm>

Recommended

- Karl Marx, "Economic and Philosophic Manuscripts of 1844" <http://www.marxists.org/archive/marx/works/1844/manuscripts/preface.htm>
- Karl Marx & Friedrich Engels, *The German Ideology*, <http://www.marxists.org/archive/marx/works/1845/german-ideology/>
- Martin Nicolaus Forward to Karl Marx, *The Grundrisse: Foundations of the Critique of Political Economy*, Random House, 1857-1861 (7-66) (e)
- Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, Introduction (aka Notebook M), <http://www.marxists.org/archive/marx/works/1857/grundrisse/>
- Karl Marx, *The Communist Manifesto* <http://www.marxists.org/archive/marx/works/1848/communist-manifesto/>
- Karl Marx, "Crisis Theory", (Ch. XVII) in *Theories of Surplus Value*, <http://www.marxists.org/archive/marx/works/1863/theories-surplus-value/ch17.htm> Karl Raddatz, *Karl Marx: A Political Biography*, Little, Brown & Company, 1978
- Samezō Kuruma, "An Overview of Marx's Theory of Crisis", *Journal of the Ohara Institute for Social Research*, 1936 <http://www.marxists.org/archive/kuruma/crisis-overview.htm>
- Simon Clarke, *Marx's Theory of Crisis*, St Martin's Press, 1994 (e)
- Meghnad Desai, *Marx's Revenge: The Resurgence of Capitalism and the Death of Statist Socialism*, Verso, 2002 (36-103, 199-315) (e)
- Adam Smith, *The Wealth of Nations*, The Modern Library, 2000
- Syed Ahmad, Adam Smith's four invisible hands *History of Political Economy* 22: 1, 1990, <http://hope.dukejournals.org.oca.ucsc.edu/cgi/reprint/22/1/137>

Itinerary

- 10/09. Commodity Exchange & Fictitious Capital
10/11. Value & Generic Finance Capital

B. 10/16-10/18. Historical Counterpoint: The 1929 Financial Crisis

Required

- a. John Kenneth Galbraith, *The Great Crash: 1929*, Houghton Mifflin Company, 1954
- b. Joel Seligman, *The Transformation of Wall Street, A History of the Securities and Exchange Commission and Modern Corporate Finance*, Aspen Publishers, 2003 (1-100)

Recommended

- Charles Kindleberger, *Manias, Panics, and Crashes: A History of Financial Crisis*, Basic Books, 1979 (14-51) (e)
- The New York Times*, "Glass Steagall Act of 1933" http://topics.nytimes.com/topics/reference/timestopics/subjects/g/glass_steagall_act_1933/index.html
- Securities Act of 1933 <http://www.sec.gov/about/laws/sa33.pdf>
- Securities Exchange Act (1934) <http://www.sec.gov/about/laws/sea34.pdf> (skim)
- Securities and Exchange Commission* "Release No. 66", December 21st 1934 http://co403731.cdn.cloudfiles.rackspacecloud.com/collection/papers/1930/1934_12_21_SEC_Release.pdf
- Commodity Exchange Act (1936) http://www.law.cornell.edu/uscode/7/usc_sup_01_7_10_1.html

Hyman Minsky, "Financial Stability Revisited: The Economics of Disaster, in Board of Governors of the Federal Reserve System, *Reappraisal of the Federal Reserve Discount Mechanism*, June 1972
http://fraser.stlouisfed.org/historicaldocs/dismech/download/59037/fininst_minsky.pdf
PBS Frontline, "The Long Demise of Glass-Steagall"
<http://www.pbs.org/wgbh/pages/frontline/shows/wallstreet/weill/demise.html>

Itinerary

10/16. The 1929 Stock Market Crash
10/18. Aftermath of the Event of 1929

III. Financial Technologies & Crisis

A. 10/23-10/25. Efficient Markets & the Foundations of Finance

Required

- a. Eugene Fama, "Random Walks in Stock Market Prices", *Financial Analysts Journal*, Vol. 21, No.5 (Sept-Oct, 1965)*
Fischer Black, "Implications of the Random Walk Hypothesis for Portfolio Management", *Financial Analysts Journal* 27 (No.2, March/April 1971): 16-22*
Burton Malkiel, *A Random Walk Down Wall Street*, WW Norton & Company, 2007 pg. 23-125
- b. Harry Markowitz, "Portfolio Selection", *The Journal of Finance*, Vol. 7 No.1 (Mar. 1952) pg. 77-91*
Peter Bernstein, *Against the Gods: The Remarkable Story of Risk*, John Wiley & Sons, 1996 (pg. 247-266) (e)

Recommended

Harry Roberts, "Stock Market Patterns and Financial Analysis: Methodological Suggestions", *The Journal of Finance* 14 (No.1, March): 1-10, 1959*
Burton G. Malkiel, "The Efficient Market Hypothesis and Its Critics", *The Journal of Economic Perspectives*, Vol. 17, No. 1 (Winter, 2003), pp. 59-82*
Eugene Fama, "The Behavior of Stock-Market Prices", *The Journal of Business*, Vol. 38, No. 1 (Jan., 1965), pp. 34-105*
Eugene Fama, "Efficient Capital Markets: A Review of Theory and Empirical Work", *The Journal of Finance*, Vol. 25, No. 2, December, 28-30, 1969 (May, 1970), pp. 383-417*
Eugene F. Fama, "Efficient Capital Markets: II", *The Journal of Finance*, Vol. 46, No. 5 (Dec., 1991), pp. 1575-1617*
Lorie, Dodd, Kimpton, *The Stock Market: Theories and Evidence*, Dow Jones-Irwin, 1985 (108-153) (e)
Irving Fischer, *The Theory of Interest as Determined by Impatience to Spend Income and Opportunity to Invest It*, Macmillan, 1930
Harry Markowitz, "The Early History of Portfolio Theory: 1600-1960", *Financial Analysts Journal*, Vol. 55, No. 4 (Jul. - Aug., 1999), pp. 5-16
Harry Markowitz, *Portfolio Selection: Efficient Diversification of Investments*, John Wiley & Sons 1959
The Economist, "A Brief History of Derivatives", February 10th 1996*

Itinerary

10/23. Efficient Markets & Random Walks
10/25. The Modern Financial Turn: Portfolio Diversification and an Introduction to Derivatives

B. 10/30-11/01. Financial Theory

1. Origins: CAPM, Black-Scholes and More

Required

Burton Malkiel, *A Random Walk Down Wall Street*, WW Norton & Company, 1996 pg. 179-215
P. Mehrling, *Fischer Black and the Revolutionary Idea of Finance*, John Wiley & Sons, 2005 pg. 1-98

Recommended

John Lintner, "Security Prices, Risk, and Maximal Gains From Diversification", *The Journal of Finance*, Vol. 20, No. 4 (Dec., 1965), pp. 587-615*

William F. Sharpe, "Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk", *The Journal of Finance*, Vol. 19, No. 3 (Sep., 1964), pp. 425-442*

<http://www.jstor.org.oca.ucsc.edu/stable/2977928>

Michael Jensen, "Capital Markets: Theory and Evidence", *Bell Journal of Economics and Management Science*, Autumn, 1972*

Jack L. Treynor and Fischer Black, "How to Use Security Analysis to Improve Portfolio Selection", *The Journal of Business*, Vol. 46, No. 1 (Jan., 1973), pp. 66-86*

2. Technologies: CAPM, Black-Scholes, and More

Required

Fischer Black and Myron Scholes, "The Pricing of Options and Corporate Liabilities", *The Journal of Political Economy*, Vol. 81, No. 3. (May - Jun., 1973), pp. 637-654

<http://www.jstor.org.oca.ucsc.edu/stable/1831029>

Myron Scholes, "Derivatives in a Dynamic Environment", *The American Economic Review*, Vol. 88 No.3, June 1998, pg. 350-370*

P. Mehrling, *Fischer Black and the Revolutionary Idea of Finance*, John Wiley & Sons, 2005 (99-165)
The Economist, "The Nobel Prize for Economics: The Right Option", Oct. 18th 1997*

Recommended

CRS Report, The Graham Leach Bliley Act: An Overview, December 16th 1999,

<http://epic.org/privacy/glbsa/RL30375.pdf>

CRS Report, The Commodity Futures Modernization Act, February 3rd 2003,

<http://digital.library.unt.edu/ark:/67531/metacrs9288/m1/>

Report of The President's Working Group on Financial Markets, *Over-the-Counter Derivatives Markets and the Commodity Exchange Act*, November 1999

<http://www.ustreas.gov/press/releases/reports/otcact.pdf>

Robert C. Merton, "Theory of Rational Option Pricing", *The Bell Journal of Economics and Management Science*, Vol. 4, No. 1 (Spring, 1973), pp. 141-183

<http://www.jstor.org.oca.ucsc.edu/stable/3003143>

Robert Merton and Myron Scholes, "Fischer Black", *The Journal of Finance*, Vol. 50, No. 5 (Dec., 1995), pp. 1359-1370*

Graham Leach Bliley Act (1999) <http://www.gpo.gov/fdsys/pkg/PLAW-106publ02/content-detail.html>

The Commodity Futures Modernization Act (2000)

<http://www.cftc.gov/ucm/groups/public/@lrrulesandstatutoryauthority/documents/file/ogchr5660.pdf>

Perry Mehrling, "Economists and the Fed: Beginnings", *The Journal of Economic Perspectives*, Vol. 16, No. 4 (Autumn, 2002), pp. 207-218*

Fischer Black, "How We Came Up with the Option Formula", *Journal of Portfolio Management*, Winter 1989 15(2) pg. 4-8 (e)

Itinerary

10/30. Risk in Time: CAPM, Black-Scholes, and more (part I)

11/01. Risk in Time: CAPM, Black-Scholes and more (part II)

Midterm Essay Due in class 11/06

III. The 2007-2008 Financial Crisis

A. 11/06-11/08. Historical & Conceptual Backdrop to the Event of 2008

Required

John Lanchester, "How Money Went Postmodern", *The New Yorker*, November 10th 2008 (80-84)

http://www.newyorker.com/arts/critics/atlarge/2008/11/10/08110crat_atlarge_lanchester

John Mackenzie and Tett, "Frozen in Time", *The Financial Times*, June 16th 2010,

http://www.ft.com/cms/s/o/bf3fd548-78b6-11df-a312-00144feabdco.dwp_uuid=b323d604-11d6-11dd-9b49-0000779fd2ac.html#axzz187cNUDLB

John Cassidy, "What Good is Wall Street?", *The New Yorker*, Nov. 29th 2010,

http://www.newyorker.com/reporting/2010/11/29/101129fa_fact_cassidy

Recommended

GAO Report, "Financial Derivatives: Actions Needed to Protect the Financial System", May 1994

<http://archive.gao.gov/t2pbat3/151647.pdf>

Merton Miller, *Merton Miller on Derivatives*, John Wiley & Sons, 1997 (e)

Global Derivatives Study Group (aka "Group of 30"), *Derivatives: Practices & Principles*, July 1993

Fischer Black, "How to Use Holes in Black-Scholes", *Journal of Applied Corporate Finance*, Winter 78-83, 1989 (e)

Itinerary

11/06. Video: *American Casino*, Leslie and Andrew Cockburn (2009)

11/08. Video: *Inside Job* (2010)

B. 11/13-11/20. The Event of 2008: Subprime Loans, CDS's, CDO's, and Other Technologies

Required

Gillian Tett, *Fool's Gold: How the Bold Dream of a Small Tribe at J. P. Morgan Was Corrupted by Wall Street Greed and Unleashed a Catastrophe*, Free Press, 2009

CRS Report, "Causes of the Financial Crisis", January 29th 2009 (1-10)

http://assets.opencrs.com/rpts/R40173_20090129.pdf

Recommended

James B. Stewart, "A Reporter at Large, Eight Days: The Battle to Save America's Financial System," *The New Yorker*, September 21, 2009*

CRS Report, "Containing Financial Crisis", November 24th 2008

<http://www.fas.org/sgp/crs/misc/RL34412.pdf>

Jeffrey Friedman and reply by Jeff Madrick, "What Caused the Financial Collapse: An Exchange", *NYRB*, Vol. 57 No.1, January 14th 2010*

Emergency Economic Stabilization Act (2008) http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h1424enr.txt.pdf

Report to Congress Pursuant to Section 102 of the Emergency Economic Stabilization Act, 12/1/2008

<http://www.financialstability.gov/docs/AGP/sec102ReportToCongress.pdf>

"The Minds behind the Meltdown", Scott Patterson, *The Wall Street Journal*, January 22nd 2010*

Financial Crisis Inquiry Commission Hearing, "Causes of the 2008 Financial Collapse", C-Span2, January 13th 2010, <http://www.c-spanvideo.org/program/id/217960>

Paul M. Barrett, "Rewriting the Rules" (book review of Gillian Tett's *Fool's Gold*), *NY Times Book Review*, June 12, 2009 <http://www.nytimes.com/2009/06/14/books/review/Barrett-t.html>

Roger Alcaly, "How they Killed the Economy", *NYRB*, March 25th 2010*

"Swaps Come Under Fire: U.S. Regulators, European Leaders Seek More Oversight on Trades in Derivatives", *Wall Street Journal*, March 10th 2010 (e)

Itinerary

11/13. From Housing & Subprime Loans to Financial Crisis

11/15. From Derivatives & Securitization to Financial Crisis

11/20. Financial Crisis & Liquidity Freeze

IV. Theory

A. 11/27-11/29. Behavioralism & Theology

Required

George Akerlof & Robert Shiller, *Animal Spirits: How Human Psychology Drives the Economy and Why it Matters for Global Capitalism*, Princeton University Press, 2009

Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, Routledge, 1992 (selections)

Recommended

D. Kahneman & A. Tversky, "Prospect Theory: An Analysis of Decision under Risk", *Econometrica* 47(2):263-9, 1979 <http://www.jstor.org.oca.ucsc.edu/stable/1914185>
A. Shleifer, *Inefficient Markets: An Introduction to Behavioral Finance*, Oxford Univ. Press, 2000 (e)
Kahneman, Slovic, Tversky, *Judgment Under Uncertainty: Heuristics and Biases*, Cambridge University Press, 1982 (e)
Robert Shiller, *Irrational Exuberance*, Doubleday, 2006 (e)
Fischer Black, "Noise", *The Journal of Finance*, Vol. 41, No. 3, Papers and Proceedings of the Forty-Fourth Annual Meeting of the America Finance Association, New York, New York, December 28-30, 1985 (Jul., 1986), pp. 529-543*
"US Citizens Spend More than They Earn", *The Financial Times*, May 5th 2010, <http://www.ft.com/cms/s/o/d13b5452-57dc-11df-855b-00144feab49a.html>
J. Silver-Greenberg, "Boom in Debt Buying Fuels Another Boom -in Lawsuits", *Wall Street Journal*, Nov. 29th 2010, <http://online.wsj.com/article/SB10001424052702304510704575562212919179410.html>
Bill Maurer, "Repressed Futures: Financial Derivatives' Theological Unconscious", *Economy and Society*, Vol. 31, No. 1, February 2002: 15-36
Rene Descartes, *Treatise of Man*, Prometheus Books, 2003

Itinerary

11/27. Animal Spirits

11/29. Economics & Theology

B. 12/04-12/06. Further Methodology Outside the Lines

Required

a. Fischer Black, "Fundamentals of Liquidity" (1970) (e)

b. Benjamin Lozano, "Some Material Properties of Synthetic Finance" (e)

Recommended

Gilles Deleuze, *Difference and Repetition*, Columbia University Press, 1976

Itinerary

12/04. The Future of Finance

12/06. The Future of Capitalism

Final Exam on Monday December 13th 12:00-3:00pm
Final Essay due Monday December 13th in class
Late papers will not be accepted