

INDRANI MANNA

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Department of Economics ◊ Snow Hall 4th Floor Rm 415 ◊ University of Kansas ◊ Lawrence, KS-66045

EDUCATION

PhD Candidate, Economics, University of Kansas (On Sabbatical from RBI), Expected May 2017
THESIS - Essays in Monetary and Macroprudential Policy
Dissertation Chair: Professor William Barnett

Masters in Economics, Delhi School of Economics, 1998-2000
University of Delhi

B.A Economics(Honors), University of Delhi, 1995-1998
University of Delhi

FIELDS OF SPECIALIZATION

Macroeconomics (Monetary and Macroprudential Policy) Econometrics

PROFESSIONAL EXPERIENCE

Assistant General Manager, Reserve Bank of India, 2006-PRESENT
Department of Economic and Policy Research, RBI HQ, Mumbai.

- Prepare research papers for Reserve Bank of India publications viz., Report on Currency and Finance, Annual Report, Macro-economic and Monetary Policy Developments.
- Research, analyze and comment on IMF and G20 issue based papers related to Reserve Adequacy in Emerging Market economies, Global financial safety nets and role of reserves, IMF Quotas, Review of Quota formula, Restructuring of IMF Surveillance and Lending Functions and Monitoring of Global Capital Flows.
- Article IV Consultations with the IMF Staff.
- Monitoring Global Stock Markets on a daily basis and prepared notes and Research papers on financial developments impacting stock market performance.

Economic Officer, Punjab National Bank, 2005-06
Management Advisory Services Division, Head Office, Delhi

- Estimation of financial ratios and product profitability reports.
- Filing Off site OSMOS Returns to Reserve Bank of India.

Economic Investigator, National Sample Survey Organisation, GOI, 2003-04
Field Operations Division, Pune

- Collection of socio-economic data on consumer expenditure, unemployment, morbidity and health care and middle class prices through Household Field Surveys.
- Conducted Scientific Field Surveys of several villages in India for collection of rare data.
- Compiled the data and prepared analytical sheets for estimation of price indices and poverty ratios.

Academic Associate, **Indian Institute of Management,**

2001-02

- Academic Associate to Professor. Errol DSouza, Head of Economics Area, for Advanced Macroeconomics Course for PhD Students, Fellow Programme in Management, Indian Institute of Ahmedabad, India.
- Academic Associate to Professor. Sebastian Morris and Professor. Rakesh Basant for Course on Economic Development in India, for Post Graduate Students in Indian Institute of Management, Ahmedabad, India.
- Responsibilities: Evaluated Term Papers and Assignments

Junior Research Fellow, **Indian Statistical Institute,**

2002-03

JOB MARKET PAPER

“Can we Still Lean Against the Wind? - Asset Price Volatility and Optimal Policy Mix in OLG Economies”,

Description: In an overlapping generations model without financial frictions, Gali(2013) observed that a 'leaning against the wind' monetary policy is likely to aggravate the fluctuations in the bubble. He found that optimal monetary policy in such an economy must strike a balance between stabilization of the bubble and stabilization of aggregate demand. We extend Gali(2013)'s model by introducing various financial frictions in the bubbly economy with a Samuelson 2-period overlapping agents and examine how 'leaning against the wind' macro-prudential policies like capital adequacy affect the size and volatility of bubble, inflation and aggregate demand. While my results vindicate Gali(2013) that a leaning against the wind monetary policy generates a larger volatility in the bubble than a policy of benign neglect, (a) I find that a necessary condition for stabilization of bubble volatility requires that the macro-prudential parameter be greater than a certain threshold value which under the model's baseline settings equals 1.0101 and is indicative of an active macroprudential policy. It is also observed that stronger interest rate response of monetary policy to the bubble necessitates a stronger macroprudential response possibly to absorb the excess volatility generated by the monetary policy. (b) Macro-prudential policy influences the conditions for existence of a bubble as well as its size and volatility of fluctuations. (c) Unlike Gali(2013), with respect to monetary policy, there is no conflict between stabilization of current aggregate demand (through the stabilization of volatility in dividends) and stabilization of future aggregate demand. (d) However, optimal macro-prudential policy must strike a balance between stabilization of current aggregate demand which calls for a declining cost of intermediation and stabilization of future aggregate demand (bubbles) which requires a strong macro-prudential response to bubble volatility. (e) The Non-coordinating optimal policy mix points towards passive monetary policy alongwith active macroprudential policy.

The theoretical results from the paper were empirically validated through VAR with sign restrictions. I put sign restrictions on the response of interest rate and loan loss provisions, while being agnostic about the response of output and stock prices. Using US data, we find that asset quality augmented Taylor rule coupled with backward loan loss provisioning reduces stock prices and dampens output growth, while an exogenous tightening of dynamic provisioning which takes into account expected credit losses can single handedly dampen stock prices. The provisioning cost channel works through tightening of the credit supply channel which may be accomplished through qualitative measures like rejection of loan applications rather than raising the interest rate. Central bank responds to lowering output and prices by sobering of interest rates which then contracts the bubble component of asset prices.

PUBLISHED PAPERS

- Evolution of Global Private Equity Market: Lessons, Implications and Prospects for India, RBI Occasional Papers, Summer 2009.
- Trends in Select Micro and Small Scale Production Items during Phases of Industrial Slowdown, RBI Staff Studies, November 2009.
- Global Events and Economic Growth in India - A VECM Model, paper presented at the Central Bank Research Conference, at Colombo, Sri Lanka on December 15, 2009.

WORKING PAPERS

- “Can We Still Lean Against the Wind ? Asset Price Bubbles and Optimal Policy Mix in an Overlapping Generations Model.” (Submitted)
- “Loan Loss Provisioning and Monetary Policy Effects on Asset Prices An Agnostic Identification Procedure” .
- “Financial Inclusion through Bank based methods and Impact on Financial Stability in Emerging Economies.” (Submitted)
- “Financial Inclusion, Financial Stability and Optimal Policy Mix in Emerging Economies A DSGE Model”
- “Modelling Weights and Dependence Parameters in Mixed Copulas using Penalized Likelihood - Various Applications”

TEACHING AND OTHER ACADEMIC EXPERIENCE:

GRADUATE TEACHING ASSISTANT (PhD Core, First-Year)

Spring 2015

Graduate Macroeconomic Theory I,

Course Description: Survey of macroeconomic models, including Classical and Keynesian. Topics cover monetary and fiscal stabilization policies, the role of rational expectations, and basic behavioral equations. Tradeoffs of inflation and unemployment are examined both theoretically and empirically.

Graduate Optimization II, Spring 2015

Course Description: Economic models involving the maximization of an integral (a vector of integrals) subject to differential equality (inequality), integral equality (inequality), and finite equality (inequality) constraints. Characterization and existence of optimal paths by way of first and second derivatives.

Responsibilities: Led discussions for first year PhD students that met once a week. Explained course material with emphasis on intuition, teaching additional material, preparing solutions to homework questions, holding regular office hours, proctoring and grading examination.

UNDERGRADUATE TEACHING

Course Instructor

Fall 2015 - PRESENT

Money and Banking,

Course Description: A 3-credit hour intermediate course in the basic principles of money, credit and banking and their relation to prices and business cycles.

Responsibilities: Designed and taught an intermediate course in money and banking to a class of 30 students which met thrice a week. Innovative teaching was the hallmark of this course which was accomplished through in-class workshops to ensure peer review and individual focus on students, equipped students to solve numerical problems and argue domestic and global monetary issues with economic reason and encouraged them to think independently about global financial system. Designed and evaluated exams, quizzes and in-class and homework assignments and held office hours.

Teaching Assistant - Freshman Courses

Fall 2012-Fall 2014

Principles of Macroeconomics

Course Description: An introduction to modern economics designed primarily for students who do not plan to major in economics. Topics include economic history, the operation of economic institutions, and the formation and execution of economics policies to meet the current problems of the domestic and international economy.

Introduction to Economics

Course Description: An analytical introduction to macroeconomics. Topics include determination of aggregate income, employment, inflation, exchange rates, and the role of fiscal and monetary policy in dealing with unemployment, inflation, and economic growth.

Principles of Microeconomics

Course Description: An analytical introduction to microeconomics. Topics include theory of markets, public policy, international trade, economic efficiency, and equity.

Responsibilities: Led discussions for groups of 25-30 students that met thrice a week. imparting training in solving various problems related to Designed quizzes and class assignments with a view to the course. Held regular office hours, proctored and graded exams.

AWARDS AND HONORS

- Department of Economics Graduate Teaching Assistant Scholarship, University of Kansas, 2012-Present.
- Awarded Best Paper Award at the Central Bank of Sri Lanka Research Conference, 2009
- Awarded Junior Research Fellowship by Indian Statistical Institute, Delhi (2002)
- Awarded Research Fellowship of University Grants Commission (2002)
- Awarded K.C.Mittal Scholarship for being Meritorious Student in B.A (Honors) in 1997.
- Awarded Kamla Rani Prize for being a Meritorious Student of B.A (Honors) Economics in 1998.
- Awarded Laxmi Devi Prabhu Dayal Luthra Prize for being a Best Student in B.A (Honors) in 1997 and 1998.

TRAININGS

- Attended a Joint IMF-SEACEN program on 'External Sector Issues' at Nha Trang, Vietnam, between November 02-13, 2009.
- Training Program on Advanced Econometric Methods by Bank of England at Reserve Bank of India, Mumbai, 11-15th January, 2010.
- Joint IMF-RBI Training Program on 'Financial Programming and Policies' at Pune, India, 2008.
- Training Program on Econometric Methods at Reserve Bank Staff College, 2007.
- Training on Advanced Panel Data Methods at Reserve Bank Staff College, Chennai, 2010.

- Workshop on 'Data Envelopment Analysis' organized by Delhi School of Economics and Swiss Reinsurance Co. at Delhi on 5-7th January, 2009.
- Workshop on Basics of Bayesian Statistics and Econometrics at Reserve Bank India, 2007.
- Workshop on Bayesian Statistics and Applications with WINBUGS, November 29-01, December, 2010.
- Training on 'Volatility Forecasting' at Dun and Bradstreet, India International, 2007.

COMPUTER SKILLS

R, Dynare, Matlab, RATS, Stata, Eviews and Latex

LANGUAGES

English (Fluent)

REFERENCES

Professor William Barnett
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Department of Economics
University of Kansas
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Professor Zongwu Cai
Department of Economics
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Professor John Keating
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