
STS.002. FINANCE AND SOCIETY

Spring 2016

EXAM REVIEW SHEET

2. Italian Innovations: Late Medieval and Renaissance Technologies of Finance

Babylonian loan contracts

the “sin of usury”

commenda

bill of exchange

“stealth interest”

Leonardo of Pisa

“Indian Method” of calculation

double-entry bookkeeping

Luca Pacioli

The Medici Bank

3. The “Golden Age” of Dutch Finance

“Price revolution”

Fuggers

Grand Parti

Antwerp

VOC

ducaton shares

“Tulipmania”

Amsterdam as an “information exchange”

Wisselbank

4. Credit and Credibility in Britain’s “Financial Revolution”

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Hartlib circle

Excise

“Stop of the Exchequer” (1672)

Revolution of 1688 (financial consequences)

The foundation of the Bank of England

Britain’s “financial revolution”

North & Weingast

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Exchange Alley

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5. First Crashes: The Bubbles of 1720

asset bubble

South Sea Company

Asiento

“irredeemable” debts

South Sea Scheme (1719-20)

John Blunt

Archibald Hutcheson

The Bubble Act

Cato’s Letters

6. Financing a New Nation: The U.S. “Financial Revolution” of the 1790s

The “economic miracle” of the early American republic

The “Continental” (dollar)

Alexander Hamilton

Robert Morris and the Bank of North America

Hamilton’s “Federalist” financial reforms, 1789-1795

“Assumption” of state debts

1st Bank of the United States

Panic of 1792

The “Republican” opposition to Hamilton

7. Financing Lives in the 19th Century, Free and Unfree

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James Dodson

The Society for Equitable Assurances on Lives and Survivorships

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Elizur Wright

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Consolidated Association of the Planters of Louisiana

Josiah Nott

8. Making Money in 19th-Century America

Cogniac Street

Nicholas Biddle

Andrew Jackson's veto of the Bank bill

"pet banks"

Panic of 1837

The "Free Banking" era (US)

wildcat banks

Salmon P. Chase

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Greybacks

The Secret Service

9. Financial Empire and Global Crises in the Late 19th c.

Railroad finance in the 19th century

The Panic of 1873 as a global event

Vienna Stock Market crash (1873)

transcontinental railroads

Crédit Mobilier of America

Jay Cooke & Co.

The Panic of 1873 in the USA

Freedman's Savings & Trust Co.

"invisible empire"

1873 in Peru

The Panic of 1873 in Egypt

1875 Suez Canal sale

10. Pricing the Future: Chicago and the Commodities Trade, 1850-1900

commoditization

standardization

steam-powered grain elevator

Chicago Board of Trade

grain futures

stock ticker

"cornering" (a futures market)

bucket shops

Board of Trade v. Christie

The People's Party (Populists)

11. Other People's Money: Big Bankers in the Early 20th Century

John Pierpont Morgan

"Morganization"

The Bankers' Panic (1907)

"Any power which he [the private banker] has comes... from the confidence of the

people in his character and credit"

interlocking directorates

"The Money Trust"

The Pujo Committee

Louis Brandeis

The Aldrich Plan

Federal Reserve Act (1913)

12. Everybody Ought to Be Rich: Investment, Democracy, and the Roaring '20s

Liberty Loans

"shareholder democracy"

Employee Stock Ownership Plans (ESOPs)

The "bull market" of the 1920s

John J. Raskob

"stock prices have reached... a permanently high plateau"

buying "on margin"

investment trusts

13. Black Tuesday and Beyond: The Crash of 1929 and the Great Depression

October 28-29, 1929

The Great Crash of '29 and "aggregate demand"

bank runs

“Liquidate labor, liquidate stocks, liquidate farmers... purge the rottenness out of the system.”

“The money changers have fled from their high seats in the temple of our civilization.”

1933 “Bank Holiday”

Pecora Committee

The Banking Act of 1933 (“Glass-Steagall”)

Federal Deposit Insurance Corporation

Securities Exchange Act (1934)

14. Random Walks and Wall Street: A New Science of Finance, 1950-’70

“Dow Theory”

Benjamin Graham

Alfred Cowles, “Can Stock Market Forecasters Forecast?”

Harry Markowitz and “Portfolio Selection”

Capital Asset Pricing Model

random walk

Eugene Fama

The Efficient Markets Hypothesis: three levels

15. Performing Financial Theories: Black-Scholes and its World

finance as an academic *discipline*

Benoit Mandelbrot and “fat tails”

Employee Retirement Income Security Act (ERISA)

index funds

stock options

Ed Thorp

Black-Scholes-Merton model

Stock options and *volatility*

Chicago Board Options Exchange

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16. Greed is Good?: Finance Takes Over in the Go-Go ‘80s

Adolf Berle and “economic statesmanship”

“the market for corporate control”

Michael Jensen

hostile takeovers

leveraged buyouts

Michael Milken

1980s Savings & Loan Crisis

VisiCalc

Gordon Gekko

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