Lecture 8 Outline

1. More on the Price of Model Uncertainty in HST (1999).

2. Detection Error Probabilities.

3. Exploiting the connection between Risk-Sensitivity & Robustness. Uncertainty Premia in non-LQ environments. Reinterpreting Tallarini's (JME, 2000) graph.
   - "Doubts or Variability?" BHS (2009). Ljungqvist & Sargent (Chpt. 14, pgs. 566-584).

4. Combining Learning & Robustness. Robust filtering.

5. Countercyclical uncertainty premia. Reinterpreting Long-Run Risk models.
   - "Fragile Beliefs and the Price of Uncertainty" (HS, 2010). "Wanting Robustness" (pgs. 1117-23).