Special Topics in International Finance

Goal: This course is designed to provide an understanding of selected topics of current academic research in the areas of international finance and international macroeconomics. It aims to teach interested students the tools for conducting research in this field.

Texts: General reference materials for the course are:


Articles can be downloaded from the journal websites (link from the University Library homepage to the journals collection), from JSTORE, Science Direct or from the NBER Working papers site (http://www.nber.org/). For most working papers, try www.google.com. If you have trouble locating a particular article, please let me know and I will make copies available.

Requirements:

1. Presentation and 2. 2 Papers.

Papers
1. You may choose an empirical paper and replicate the tables reported in the paper. Alternatively, you may choose an article that uses numerical methods, and you must reproduce the numerical solution or simulations.
2. A proposal for your new research (2-3 pages)

Presentations
You are required to choose a paper that you wish to critique from a list that will be made available. Papers are chosen on a first come first served basis.

Auditors
Any students sitting in on the course who are not registered for a grade are required to provide an oral presentation of a paper, as are registered students. No students are allowed to "sit in" without providing evidence of doing the required work. Auditors are exempt from submitting papers, however.
Course Outline

1. Background (NM Ch. 1)
   CIP, UIP, BP

2. Flexible Price Models of Exchange Rates
   A. Ad hoc Monetary Models (NM Ch. 3)
   B. DGE Models
      a. Lucas model (NM Ch. 4)
      b. Int'l RBC model (NM Ch. 5)

3. Empirical Puzzles
   A. Forward Premium Puzzle (NM Ch. 6)
   B. PPP Puzzle (NM Ch. 7)

4. Sticky Price Models of Exchange Rates
   A. Ad hoc Models (Mundell-Fleming) (NM Ch. 8)
   B. New Int'l Macro Models (NM Ch. 9)
      a. Redux model
      b. Pricing-to-market model

5. Policy Issues
   A. Currency Crises (NM Ch. 11)
   B. Global Imbalances