International Finance: Economics 8382
Spring 2013

This is a PhD course on open economy macroeconomics. It covers from the basic exchange rate models to some of the most exciting questions we are facing today in this area, such as in financial crises and international capital movements. Students should have completed the core macroeconomics sequence before taking this course. This course complements the course taught by Professor Jay Shambaugh. The courses are not sequential –they can be taken in either order. To prevent the courses from overlapping, large areas of the literature will not be covered here. For a true survey of the field, students should take both courses.

Textbooks

The following textbooks are excellent background for many of the topics in this reading list.


Outline of the Course

The following outline gives a guide to the material that will be covered in the course. Updates to this outline may be given during class and will be posted in the syllabus in blackboard. The number of lectures allocated to each topic is indicative. We may find that some topics may require more (or less) time to cover.

Course Requirements and Important Dates

One midterm exam and a final exam. Fifty percent of the grade each exam.
Course Outline and Readings

1. Basic Concepts, Foreign Exchange Markets, and BOP Accounting


2. Monetary Exchange Rate Models (3 Lectures)


3. Currency and Financial Crises (4 Lectures)


4. Sovereign Debt, Limited Enforcement, and Defaults (2 Lectures)


6. International Capital Flows (2 Lectures)


Kaminsky, Graciela, 2012, “Two Hundred Years of International Borrowing Cycles: Latin America since Independence”


