Topics in International Finance  
ECON G31.3001-08  
Vivian Zhanwei Yue

Lecture: Wed 4:00-6:00pm in Room 624 at 19 West 4th Street  
October 26-December 12  
Office: Room 727 at 19 West 4th Street  
Email: zy3@nyu.edu  
Telephone: 212-998-8963  
Office Hours: Drop by any time

Goal of the course:  
To provide a thorough understanding of selected topics of current academic research in international finance. To teach interested students the tools for conducting research in this field. The typical target audience comprises students in their second year or later. A good understanding of the material covered in the first-year Ph.D. macro courses is critical. Basic knowledge of Open Economy Macroeconomics is useful.

Reference Books for the course:  

Requirements  
(1) Final exam, comprising 45% of grade. (2) A class presentation of a research paper that we mutually agree on, comprising 45% of grade. (3) Class participation, comprising 10% of grade.

The final exam is a two-day take home exam. It is scheduled for the week of April 23-27. The exact exam date will be determined later.

Students are required to choose a paper to present by April 4. The presentations are scheduled on class starting April 17. I will provide detailed information about how the class presentations should be prepared.
Topics and additional readings:

I outline the topics that I plan to cover in the course below. This initial summary is subject to change, as time goes by and as we find together the right pace for the course. The updated versions of the syllabus will be posted on the course website.

1. Business Cycles in Emerging Economies: Empirics, Theory and Methodology

Papers on Approximating Solution to Dynamic General Equilibrium Models

2. Balance of Payment Crises and Currency Crises

A. Empirical facts

B. The Krugman Model (First-Generation Models)

C. Self-Fulfilling Expectation and Crises (Second-Generation Models)

D. Credit Frictions and Crises/Sudden Stops (Third Generation Models)
3. Sovereign Debt and Default


Empirical Facts
   Chuhan, Puman and Federico Sturzenegger, 2003, "Default Episodes in the 1990s: What Have We Learned?" Manuscript, the World Bank and Universidad Torcuato Di Tella.

4. Foreign Exchange Rate Premium