

Syllabus

Economics 282C

Topics in International Economics,

Spring 2004

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This course is intended to get you started on paper to satisfy the requirement for the international field and advancement to candidacy. I will point you towards various places to get ideas and we should have further discussions in class. The requirement for the course is that you get a paper proposal ready to present to the class at the end of the term.

I will start the discussion with a discussion on

Obstfeld, Maurice and Kenneth Rogoff (2000) "The Six Major Puzzles In International Macroeconomics: Is there a common cause?" NBER Macroeconomics Annual 2000

The point of assigning this paper is to give everybody a quick introduction to six issues to look at for field papers. To do that, you would have to read the papers that are referenced in this article. You should add one more article to the list of references in that paper

Mussa, Michael (1986) "Nominal Exchange Rate Regimes and the Behavior of Real Exchange Rates: Evidence and Implications" Carnegie Rochester Conference Series on Public Policy 117-214 25, pp 117-213 I will post a PDF version of this paper on the course website.

I will then turn to three special topics

Exchange rates and Finance

Lucas, R E (1982) "Interest Rates and currency prices in a two country world" JME November

Alvarez, F and A Atkeson (1997) Money and exchange rates in the Grossman-Weiss-Rotemberg model JME 40 619-640

Alvarez, F, A Atkeson, and P Kehoe (2002) Money, Interest Rates, and Exchange Rates with Endogenously Segmented Markets JPE February

Lahiri, Amartya, Rajeesh Singh, and Carlos Vegh (2002) “Segmented Asset Markets and Optimal Exchange Rate Regimes” mimeo

Brandt, M, J. Cochrane, and P Santa Clara (2001) International Risk Sharing is better than you think NBER working paper 8404

Backus D., S Foresi, and C Telmer (2001) Affine models of currency pricing. Journal of Finance <http://bertha.gsia.cmu.edu/telmerc/research.html>

[Time-Varying Risk, Interest Rates and Exchange Rates in General Equilibrium](#)

Fernando Alvarez, Andrew Atkeson, and Patrick J. Kehoe, Federal Reserve Bank of Minneapolis Working Paper 627

Lustig, Hanno and Adrien Verdelhan (2004) “The Cross Section of Foreign Currency Risk Premia and US Consumption Growth Risk” mimeo

<http://home.uchicago.edu/~hlustig/>

Sovereign Debt

Narayana Kocherlakota (1996) “Implications of Efficient Risk Sharing Without Commitment” Review of Economic Studies (JSTOR)

Fernando Alvarez and Urban Jerman (2000) “Efficiency, Equilibrium, and Asset Pricing with Risk of Default” Econometrica JSTOR

Jeske, K. (2001) Private International Debt with Risk of Repudiation. Mimeo

http://www.frbatlanta.org/invoke.cfm?objectid=83FD329A-9AF0-11D5-898400508BB89A83&method=display_body

[Competitive Equilibria With Limited Enforcement](#)

Patrick J. Kehoe and Fabrizio Perri

Wright, Mark (2001) “Private Capital Flows and Default Risk” mimeo.

<http://www.stanford.edu/%7Emlwright/research/markresearch.html>

International Trade

Eaton, Jonathan and Sam Kortum (2002) “Technology, Geography, and Trade” Econometrica

<http://www.econ.umn.edu/~kortum/skresearch.html>

Bernard, Andrew, Jonthan Eaton, Bradford Jensen, and Sam Kortum (2003) “Plants and Productivity in International Trade” AER

<http://www.econ.umn.edu/~kortum/skresearch.html>

Eaton, Jonathan, Sam Kortum, and Francis Kramarz (2004) “An anatomy of International Trade, Evidence from French Firms” mimeo

<http://www.econ.nyu.edu/user/eatonj/>

Melitz, Marc (2004) “The Impact of Trade on Intra-industry reallocations and aggregate industry productivity” *Econometrica*

<http://post.economics.harvard.edu/faculty/melitz/papers.html>

Lucas, Robert (2003) “Some Implications of the Eaton-Kortum model of international trade” mimeo

http://www.stanford.edu/~erossi/courses_files/Lucas.pdf

Keller, Wolfgang and Stephen Yeaple (2004) “Multinational Enterprises, International Trade, and Productivity Growth: Firm Level Evidence for the United States” mimeo

<http://www.econ.upenn.edu/~snyeapl2/>