International Economics
Syllabus
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Part I
International Business Cycles

Topic 1: Small Open Economy Models


Topic 2: Two-Country Models


Topic 4: International Business Cycles with Heterogenous Firms


Part II
Exchange Rates and International Portfolios

Topic 1. Behavior of nominal exchange rates (2 h)

- Simple models of exchange rate behaviour (PPP, UIRP, the monetary model, Taylor-rule models, Gourinchas - Rey)
  - The Meese and Rogoff puzzle
  - Exchange rates as asset prices
  - Predictability of exchange rates


Topic 2. The Real Exchange Rate and a simple Two-Country Model (2 h)

- PPP and its failures
- The Redux model and its extensions

**Topic 3. Exchange Rate Regimes and Crises (2 h)**

- First-generation currency crisis models: the Krugman BoP model
- Second-generation models: coordination failures
- Third generation models

**Topic 4. International Asset Allocation and the Home Bias (2h)**

- International portfolio allocation
- The causes of the home bias

General texts:
Part III
Sovereign debt

Topic 1: Why sovereign debt is specific and some history of sovereign borrowing and lending


Topic 2: Reputation model of sovereign debt and their limits

References:


Topic 3: Resuscitating reputation models


Topic 4: The internal consequences of default


