Introduction: This is the third course in a year-long sequence in international finance and macroeconomics for PhD students at UCSC. The course will be conducted as a seminar in which we will discuss readings on and off the syllabus. I will present some overview lectures on the literature, particularly covering links between the new readings for this term and the two previous terms. The course will allow students writing second-year papers in international finance and macroeconomics to present their work and background readings on their topic.

Requirements: The course grade will be based on a paper (50%) and class presentation (50%). Readings that are required will be identified as the course proceeds.

Office Hours: Monday 1:00 - 3:00 pm, by appointment or just drop by.

Readings

1. Sovereign Risk

a) Enforcement of debt relationships


b) Extensions


c) Some empirical results and history


d) Sovereign risk and direct investment


2. Financial Frictions


3. New Keynesian Models of Open Economies

a) Monetary Policy


b) Fiscal Policy


4. Capital Flows and Crises


5. Global Imbalances


6. Capital Controls


7. Trade Frictions


