

Syllabus

[cmcd.economia@fgv.br]

Course: International Finance

Professor:

2016 THIRD SEMESTER

PROGRAM

The course covers models of currency crises, debt crises and banking crises, starting with the classical models of the literature and reaching the most recent developments, including: the role of beliefs in crises; self-fulfilling expectations; multiple equilibria; equilibrium selection; the role of public information; herd behavior; moral hazard and crises; quantitative analyses of debt crises; international lending of last resort.

Understanding the models requires a strong background in math and economic theory. Students that have not taken the basic Macroeconomics and Microeconomics courses for Master and Doctorate students at the Sao Paulo School of Economics – FGV are advised to contact Professor Guimaraes before signing up for the course.

BIBLIOGRAPHY

Arellano, AER 2008
Bates, JF 1991
Bikhchandani, Hirshleifer and Welch, JPE 1992
Bulow and Rogoff, JPE 1989
Campa, Chang, Refalo, JDE 2002
Chang and Velasco, JET 2000
Cuadra, Sanchez and Sapriza RED 2010
Diamond and Dybvig, JPE 1983
Eaton and Gersovitz, REStud 1981
Flood and Garber, JIE 1984
Guimaraes, RED 2011
Jeanne, JIE 1997
Krugman, JMCB 1979
Morris and Shin, AER 1998
Morris and Shin, 2003
Morris and Shin, EER 2004
Obstfeld, EER 1994
Pastine, JIE 2002
Rochet and Vives, JEEA 2004
+ recent papers

GRADING

Participation in class: 5%
Course paper: 35%
Final exam: 60%

PROFESSOR - EMAILS