

## 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