International Finance, Economics 606, Spring 2015
Marios Zachariadis, Associate Professor, Department of Economics, University of Cyprus

- **Lectures:** Thursday 3:00-5:30 pm, New Campus, ΧΩΔ02 Room B107.
- **E-mail:** zachariadis@ucy.ac.cy
- **Internet:** [http://www.econ.ucy.ac.cy/~mzachari/](http://www.econ.ucy.ac.cy/~mzachari/)
- **Office Hours:** Thursday 8:15 to 9:45 am and by appointment.
- **Text:** (Optional) Obstfeld and Rogoff, Foundations of International Macroeconomics, MIT Press, Cambridge, MA. This book is a good tool for those of you inclined to do research in the field.
- **Other reading material:** Working papers are available online. Published papers are available via the library system.
- **Paper Presentation:** (30 points) Choose two among the papers numbered 12 to 40 from part III, by emailing me before February 28th (first come first served basis). 25-minutes long presentations to be scheduled in March and April.
- **Midterm Exam:** (35 points) February 26th.
- **Final Exam:** (35 points) (exact date to be announced in class.)
- **Course Objective:** To familiarize you with issues and state of the art research in open economy macroeconomics, with an emphasis on issues related to the recent crises.
- **Grading:**

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<tr>
<td>Midterm exam February 26th</td>
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<td>Presentation of paper (see details above.)</td>
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<td>Final Exam December (exact date to be announced in class)</td>
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**Course Outline and Reading assignments**

**PART I: AN INTRODUCTION TO INTERNATIONAL MACROECONOMICS**

**MAIN ISSUES**

**BASIC ONE-GOOD INTERTEMPORAL MODELS**

**INTERNATIONAL REAL BUSINESS CYCLES (IRBC)**

**INTERNATIONAL RELATIVE PRICES**
- Obstfeld, Maurice and Kenneth Rogoff (1996) Chapters 4 (sections 4.1-4.3, 4.5) and 8 (sections 8.2.7 and 8.3.)
PART II: Financial and Sovereign Debt Crises.


(2) The European Sovereign Debt Crisis, Philip Lane, 2012.

(3) Betting the House Jorda, Schularick and Taylor December, 2014.


(8) Systemic Sovereign Credit Risk: Lessons from the U.S. and Europe, Andrew Ang and Francis A. Longstaff 2011.

(9) Debt Dilution and Sovereign Default Risk, by Juan Carlos Hatchondo, Leonardo Martinez, and Cesar Sosa Padilla 2011.


(13) Sudden Stops and Sovereign Defaults, Catao, Fostel, and Ranciere 2011.

(14) A Distant Mirror of Debt, Default and Relief, Carmen Reinhart and Christoph Trebesch, October 2014.


(18) Capital Controls or Macroprudential Regulation? Korinek, Anton, and Damiano Sandri, December 2014.


(20) Prudential Policy for Peggers, Schmitt-Grohe and Uribe 2012.


(39) Vulnerable Banks, Greenwood, Landier and Thesmar 2012.