Exchange Rate Economics
Syllabus
(revised)

1. INTRODUCTION

This is a Ph.D. level course exchange rate economics, with a focus on theoretical and empirical concerns. Specific topics include: purchasing power parity and interest rate parity; money and exchange rate determination; new open economy macroeconomics and exchange rates; empirics and forecasting.

The instructor is Professor of Public Affairs and Economics at the University of Wisconsin-Madison, and a Research Associate of the NBER’s International Finance and Macro program. From 2000-2001, he served as senior economist for international finance on the President’s Council of Economic Advisers. He can be contacted at: mchinn@lafollette.wisc.edu and further information can be obtained at: http://www.ssc.wisc.edu/~mchinn/.

2. SCHEDULE AND READINGS

Most of these readings – aside from the textbook readings – will be available from the WWW and from the course website: http://www.ssc.wisc.edu/~mchinn/kielcourse.html. Additional readings will be assigned.

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<td>Monetary models of exchange rates</td>
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KEY: * required; r recommended.

Lecture 1. Financial Markets and Parity Conditions


Lecture 2. Monetary Models of the Exchange Rate


Lecture 3. Bubbles and Portfolio Balance Models


4. Equilibrium Models and the New Open Economy Macroeconomics


* Maurice Obstfeld and Kenneth Rogoff, 1996, Foundations of International Macroeconomics (MIT Press), Chapter 10


5. Empirics, Forecasting and Policy


