Please note that this syllabus should be regarded as only a general guide to the course. The instructor may have changed specific course content and requirements subsequent to posting this syllabus. Last Modified: 19:49:10 01/14/2009

Boston College
Department of Economics

Georg Strasser
Spring 2009

Course Syllabus

EC 877.01 Empirical International Finance

Location: Campanella 480P
Tu, Th 10:30am – 11:45am

Office: 21 Campanella Way, Room 443
Phone: (617) 552 1954
Email: Georg.Strasser@bc.edu
Office Hours: Tuesday 3:00 pm - 5:30 pm
Course website: http://www2.bc.edu/~strasseg/EC877_Spring09.htm

1 Course Description

The course covers selected topics of current research in international finance, designed for Ph.D. students in their second year or later. The focus is on empirical work, and on tools for conducting research in this field. Topics include: nominal and real exchange rate dynamics, foreign-exchange market efficiency, the microstructure of the foreign exchange markets, international finance and trade, as well as international financial integration and portfolio choice.

2 Grading

Homework 25%
In-class presentation (critical analysis of a research paper) 25%
Research proposal 50% (due May 4th, 2009)

3 Student Presentations

All course participants, including auditors, are required to choose one paper that they wish to critique, from the list provided on Blackboard. Papers are chosen on a first-come first-served basis. You must pick a paper by the first week of February.

4 Research Proposal

The research proposal should suggest a project within the field of international finance. It should contain a literature survey, the research idea, a description of the model and empirical approach to be used, and evidence that the project
can be done (e.g. in the form of preliminary results, or by referring to existing literature).

5 Textbook

The course builds primarily on research papers. An excellent textbook, that covers many of the issues we will touch upon in this course is Nelson C. Mark: International Macroeconomics and Finance: Theory and Econometric Methods, Wiley-Blackwell, 2001. The book is available at the BC bookstore.

The following textbooks will also be useful

6 Course Topics and Reading List

Core readings are marked with an asterisk (*).

6.1 Foreign Exchange: Models and Tools


### 6.2 Exchange Rates in the Long-run


6.3 Monetary Policy and Foreign Exchange


### 6.4 Microstructure of Foreign Exchange Markets


6.5 International Financial Integration and Risk Sharing


