Course Syllabus

EC 877.01 Empirical International Finance

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

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Office Hours: Tuesday 3:00 pm – 5:30 pm
Course website: http://www2.bc.edu/~strasseg/EC877_Spring10.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

25% Homework
25% In-class presentation (critical analysis of a research paper)
50% Research proposal (draft due March 25th, final proposal due May 14th, 2010)

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 detailed description of the model and empirical approach to be used, and evidence that the project can be done (own preliminary results, or relevant results in existing literature).

5 Textbook

The course builds primarily on research papers, and does not follow a single textbook. I recommend that you get the following books, which will serve you as a valuable reference later on. All books are available at the BC bookstore.


6 Course Topics and Reading List

Core readings are marked with an asterisk (⋆).

6.1 Numerical Methods


6.2 Foreign Exchange: Models and Tools


6.3 Exchange Rates in the Long-run


6.4 Microstructure of Foreign Exchange Markets


6.5 Monetary Policy and Foreign Exchange


6.6 International Financial Integration and Risk Sharing


