

BOSTON COLLEGE
DEPARTMENT OF ECONOMICS

EC372.01
International Finance
Dr. H. S. Kazemi
Tel: (617) 552-4514

Spring 1996
Office: Carney 243
Office Hrs. Tues. &
Thurs. 4:15-5:15

A. Text Books:

James C. Ingram, International Economics. John Wiley & Sons, 3rd. Ed. New York 1993.

William R. Cline, International Debt Reexamined.
Institute for International Economics, Washington D. C. , February 1995.

Kathryn M. Dominguez and Jeffrey A. Frankel, Does Foreign Exchange Intervention Work?. Institute for International Economics, Washington DC., 1993

Wall Street Journal

B. Exams and Grading:

There will be two exams; a mid-term and a final each accounting for 40% of the total grade. You are required to work on a number of assignments and projects which will account for 10% of your total grade. Since student participation in class discussions is an important part of this course and the learning process, the remaining 10% will be assigned to your class preparedness and participation in discussions. "Make-up" or early exams will not be given .
Exam dates: Midterm to be announced in class and the final is to be announced by the Registrar's Office.

C. Reading Schedule:

1. Introduction to the Mechanism of International Payments

2. Exchange Rates & Foreign Exchange Markets

- a. Flexible and Fixed Exchange Rate Systems
- b. Arbitrage
- c. Elasticity of Demand and Supply
- d. Marshall-Lerner Condition
- e. Forward and Spot Exchange Rates

Ingram and Dunn, Chapters 12 and 13.

3. National Income Accounting in the Open Economy

Ingram and Dunn, Chapter 14.

4. Exchange Rates and the Balance of Payments
Ingram and Dunn, Chapters 15, 16 and 17.

- a. Flexible Exchange Rates
- b. Fixed Exchange Rates and the Gold Standard

5. International Monetary Experience

- a. the Gold Standard
- b. Fixed Exchange Rates and the Gold Standard
- c. Bretton Woods System
- d. the Eurocurrency Market and Eurodollar
- e. Recent Developments of International Monetary System

Anna J. Schwartz, Alternative Monetary Regimes: The Gold Standard in Campbell and Dougan pages 44-72. (on reserve)

6. International Debt Crisis

Anna J. Schwartz, " International Debts: What's fact and what's fiction," proceedings of the conference on International Debt Crisis, Stonehill College, North Easton, MA. March, 1989.

7. Different Approaches to Debt Relief

John Williamson, Voluntary Approaches to Debt Relief
Institute for International Economics, Washington DC., May 1989. On Reserve at the Library.

8. An Overview of the Debt Crisis

William R. Cline's International Debt Reexamined. Chapter one.

9. Vital Signs for the Debt Strategy

Debt Indicators, Economic Growth and Inflation, Key Debtors
William R. Cline's International Debt Reexamined. Chapter two.

Rudiger Dornbush, "How to Turn Mexico's Debt and Inflation Into Growth," Challenge, January/February 1989. (on reserve)

The Mexican Peso Crisis of December 1994
William R. Cline's International Debt Reexamined. Chapter nine.

10. Debt Theory: A Critical Review of Literature

William R. Cline's International Debt Reexamined. Chapter four.

11. Evolution and Evaluation of the Debt Strategy

William R. Cline's International Debt Reexamined. Chapter five.

12. Economic Adjustment and Debt Strategy in Latin America

William R. Cline's *International Debt Reexamined*. Chapter six.