

UNIVERSITY OF ESSEX

DEPARTMENT OF ECONOMICS

Session 2005-06

Alexander Mihailov

EC933-G-AU: INTERNATIONAL FINANCE

TERM PAPER TITLES 2005-06

Details of assessment and submission deadlines are contained in the Postgraduate Economics Handbook, available from room 5B.217. Be sure to read the sections on **A Guide to Good Practice in Assessed Work** and **Making the Most of Your Essays, Term Papers and Dissertations**.

Submission deadline: noon on Friday 20th January 2006.

1. How Could the US Current Account Deficit Problem Be Solved?

References for getting started:

(a) Edwards, Sebastian (2005), "Is the U.S. Current Account Deficit Sustainable? And If Not, How Costly Is Adjustment Likely to Be?", NBER Working Paper 11541 (August).

<http://papers.nber.org/papers/w11541.pdf>

(b) Kraay, Aart and Ventura, Jaume (2005), "The Dot-Com Bubble, the Bush Deficits, and the U.S. Current Account", NBER Working Paper 11543 (August).

<http://papers.nber.org/papers/w11543.pdf>

2. FEER, NatREx, BEER and Beyond: Comparing Recent Equilibrium Exchange Rate Concepts

References for getting started:

(a) Clark, Peter and Ronald MacDonald (1998), "Exchange Rates and Economic Fundamentals: A Methodological Comparison of BEERs and FEERs", IMF Working Paper WP/98/67 (May).

<http://www.imf.org/external/pubs/ft/wp/wp9867.pdf>

(b) Maeso-Fernandez, Francisco, Chiara Osbat and Bernd Schnatz (2004), "Towards the Estimation of Equilibrium Exchange Rates for CEE Acceding Countries: Methodological Issues and a Panel Cointegration Perspective", ECB Working Paper 353 (April).

<http://www.ecb.int/pub/pdf/scpwps/ecbwp353.pdf>

3. The Forex Market Microstructure Approach to Exchange Rates: What Value Added?

References for getting started:

(a) Sarno, Lucio and Mark Taylor (2002), *The Economics of Exchange Rates*, Cambridge University Press, chapter 9, 264-306.

(b) Lyons, Richard K. (2001), *The Microstructure Approach to Exchange Rates*, MIT Press.

4. New Directions for Open Economy Research: Key Issues and Ways to Address Them

References for getting started:

(a) Obstfeld, Maurice and Kenneth Rogoff (2000), "New Directions for Stochastic Open Economy Models", *Journal of International Economics* 50 (1, February), 117-153.

<http://papers.nber.org/papers/w7313.pdf> (version as NBER Working Paper 7313, August 1999)

(b) Obstfeld, Maurice and Kenneth Rogoff (2001), "The Six Major Puzzles in International Macroeconomics: Is There a Common Cause?", *NBER Macroeconomics Annual 2000*, Vol.15, 341-390.

<http://papers.nber.org/papers/w7777.pdf> (version as NBER Working Paper 7777, July 2000)