

**Harvard University**  
**Economics 2535**  
**ADVANCED INTERNATIONAL FINANCE**

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**READINGS**

**1. External Crises**

- Obstfeld, Maurice and Kenneth Rogoff, FOUNDATIONS OF INTERNATIONAL MACROECONOMICS, MIT Press, 1996, Chapter 8.
- Krugman, Paul, “A Model of Balance-of-Payments Crises,” *Journal of Money Credit and Banking*, 11 (August 1979), 311-25.
- Krugman, Paul, “Are Currency Crises Self-Fulfilling?” NBER MACROECONOMICS ANNUAL 1996, MIT Press, pp 345-406.
- Krugman, Paul, “Bubble, Boom, Crash: Theoretical Notes on Asia’s Crisis,” mimeo, January 1998.
- Krugman, Paul, “What Happened to Asia,” mimeo, January 1998.
- Obstfeld, Maurice, “The Logic of Currency Crises,” NBER Working Paper 4640, February 1994.
- Calvo, Guillermo, “Balance of Payments Crises in Emerging Markets: Large Capital Inflows and Sovereign Governments,” NBER Conference on Currency Crises, February 6-7, 1998.
- Calvo Guillermo, “Varieties of Capital Market Crises,” mimeo, University of Maryland, 1995.
- Drazen, Allen, “Political Contagion in Currency Crises,” NBER Conference on Currency Crises, February 6-7, 1998.
- Flood, Robert P. and Nancy P. Marson, “Perspectives on the Recent Crisis Literature,” THE FESTSCHRIFT IN HONOR OF ROBERT MUNDELL, World Bank Conference, Oct. 23–24, 1997.
- Milessi Ferreti, Gian Maria and Assaf Razin, “Sharp Reductions in Current Account Deficits: An Empirical Analysis,” NBER Working Paper 6310, December 1997.
- Milessi Ferreti, Gian Maria and Assaf Razin, “Determinants and Consequences of Current Account Reversals and Currency Crises,” NBER Conference on Currency Crises, February 6-7, 1998.

**2. Capital Account and Current Account Issues**

- Obstfeld, Maurice and Kenneth Rogoff, FOUNDATIONS OF INTERNATIONAL MACROECONOMICS, MIT Press, 1997, Chapter 7.
- Frenkel, Jacob, Assaf Razin, with Chi-Wa Yuen, FISCAL POLICY AND GROWTH IN THE WORLD ECONOMY, 3rd edition, MIT Press, 1996, Chapter 7.
- Lane, Phillip, "Empirical Perspectives on Long Term External Debt," mimeo, Columbia University, December 1996.
- Milesi-Ferreti, Gian Maria and Assaf Razin, "Current-Account Sustainability," Princeton Studies in International Finance, No. 81, October 1996.
- Razin, Assaf, Efraim Sadka and Chi-Wa Yuen, "Channeling Domestic Savings into Productive Investment under Asymmetric Information: The Essential Role of Foreign Direct Investment," mimeo, Tel Aviv University, 1997.

### **3. Purchasing Power Parity, Real Exchange Rates and the Terms of Trade**

- Frenkel, Jacob, Razin, Assaf, with Chi-Wa Yuen, FISCAL POLICY AND GROWTH IN THE WORLD ECONOMY, 3rd edition, MIT Press, 1996, Chapter 6.
- Obstfeld, Maurice and Kenneth Rogoff, FOUNDATIONS OF INTERNATIONAL MACROECONOMICS, MIT Press, 1997, Chapters 3 and 10.
- Rogoff, Kenneth, "The Purchasing Power Parity Puzzle," *Journal of Economic Literature*, June 1996.
- Mendoza, Enrique, (1996), "Terms of Trade Uncertainty and Economic Growth: Are Risk Indicators Significant in Growth Regressions," *Journal of Economic Development*, 1996.

### **4. Labor flows, Taxation, and International Growth Convergence**

- Frenkel, Jacob, Razin, Assaf, with Chi-Wa Yuen, FISCAL POLICY AND GROWTH IN THE WORLD ECONOMY, 3rd edition, MIT Press, 1996, Chapters 11, 14-16.
- Razin, Assaf and Efraim Sadka, "International Trade and International Migration," Chapter 15 in Mark Rosenzweig and Oded Stark (eds), HANDBOOK OF POPULATION AND FAMILY ECONOMICS, Vol 1b, North Holland, 1997.
- Razin, Assaf and Efraim Sadka, "Tax Burden and Migration: A Political Economy Perspective," NBER Working Paper 5850, December 1996.
- Razin, Assaf and Chi-Wa Yuen, 1997, "Income Convergence within an Economic Union: The Role of Factor Mobility and Coordination," *Journal of Public Economics*, 66 (1997) 225-245.
- Hatton, T. J. and Jeffrey G. Williamson, "International Migration and World Development: a Historical Perspective," NBER Historical Paper 41, 1992.
- Collins, William J., Kevin H. O'Rourke, and Jeffrey G. Williamson, "Were Trade and Factor Mobility Substitutes in History?" NBER Working Paper 6059, June 1997.