



Seminar on "Topics in International Macroeconomics and Finance"

[See e-learning for updates!](#)

Lecturer: Leandro Navarro

Level: Master (advanced bachelor students can also participate).

Introductory meeting: October 24th, 2024 at 14hs, room S68.

1 Seminar description

The seminar introduces students to advanced theoretical models that analyse the different topics in international macroeconomics and international finance. The topics covered by the list of papers below include:

- Global imbalances and external adjustments,
- Sudden stop crises,
- Sovereign risk and sovereign debt maturity, sovereign debt defaults
- Inflation transmission through international input-output linkages,
- Nominal and real rigidities, price stickiness and effects of monetary policy,
- Business cycles,
- Financial frictions and volatility.

The seminar is targeted to master students. Advanced bachelor students are also welcome to participate. For the latter, it is recommended to take the bachelor's International Finance course before attending to the seminar.

2 Seminar requirements

Successful participation in the seminar requires:

- Writing a term paper. The term paper must be based on one paper, which is assigned to you from the list below, and at least one additional related paper (theoretical or empirical) selected by you from outside the list.
 - Master students: minimum 12 pages and maximum of 15 pages (including appendix)
 - Bachelor students: minimum 10 pages and maximum of 12 pages (including appendix)
- Presenting your work in the seminar (20 minutes presentation).
- Moderating the discussion of one of the other presentations (up to 10 minutes discussion). The moderation includes the preparation of 3 questions to be addressed to the author of the paper assigned to you. The discussed term paper will be made available to you at least one week before the seminar.

The seminar's final grade is defined by:

- 45% of the term paper grade.
- 40% of the presentation grade.
- 15% of the moderation and discussion grade.

In order to pass the seminar, student must obtain at least a 4.0 in each component of the grade. Failing in one of them implies failing the seminar.

3 Organisation and Registration to the Seminar

The seminar is scheduled to take place in person. In the introductory meeting, we will discuss further organisational issues including formal requirements of the term paper and presentation. It is mandatory that students attend the introductory meeting.

- **Registration:** Students who want to participate in the seminar must send an email to leandro.navarro@uni-bayreuth.de at the latest 23/10/24.

- The maximum number of participants is 15. Therefore, if the number of students exceeds the capacity, the places are assigned based on a "first come first serve" rule.
 - Later registration is NOT possible.
 - Students must also enroll for the exam on CMLife (check the website for deadline). The exam will take place in the form of a presentation and a seminar paper.
- **Introductory meeting:** 24/10/2024, 14hs (room: S68).
 - **Paper selection:** Each student can pre-select three papers of your preference from the list in section 4. If possible, one of them will be assigned.
 - Deadline for pre-selection of papers: 11/11/2024 at 2pm.
 - Communication of assigned papers (by email): 13/11/2024.
 - **Term-paper:** The term paper must be submitted before 03/02/2025 at 2pm by Turnitin and by email to leandro.navarro@uni-bayreuth.de.
 - **Presentations:** 20/02/2025 from 10am to 4pm (room: S68). It is mandatory that all seminar participants attend to all the presentations. Presentations must be send by email at the latest on 19/02/2025 at 2pm.

4 List of Papers for Selection

See e-learning for papers still available.

4.1 List for master students

1. Angeletos, G. M., & Panousi, V. (2011). Financial integration, entrepreneurial risk and global dynamics. *Journal of Economic Theory*, 146(3), 863-896.
2. Arellano, C., Bai, Y., & Kehoe, P. J. (2019). Financial frictions and fluctuations in volatility. *Journal of Political Economy*, 127(5), 2049-2103.
3. Arellano, C., Mateos-Planas, X., & Ríos-Rull, J. V. (2023). Partial default. *Journal of Political Economy*, 131(6), 1385-1439.

4. Auer, R. A., Levchenko, A. A., & Sauré, P. (2019). International inflation spillovers through input linkages. *Review of Economics and Statistics*, 101(3), 507-521.
5. Bloom, N., Floetotto, M., Jaimovich, N., Saporta-Eksten, I., & Terry, S. J. (2018). Really uncertain business cycles. *Econometrica*, 86(3), 1031-1065.
6. Baley, I., & Blanco, A. (2019). Firm uncertainty cycles and the propagation of nominal shocks. *American Economic Journal: Macroeconomics*, 11(1), 276-337.
7. Caballero, R. J., Farhi, E., & Gourinchas, P. O. (2008). An equilibrium model of "global imbalances" and low interest rates. *American economic review*, 98(1), 358-393.
8. Eaton, J., & Gersovitz, M. (1981). Debt with potential repudiation: Theoretical and empirical analysis. *The Review of Economic Studies*, 48(2), 289-309.
9. Eichenbaum, M., Jaimovich, N., & Rebelo, S. (2011). Reference prices, costs, and nominal rigidities. *American Economic Review*, 101(1), 234-262.
10. Forbes, K. J., & Warnock, F. E. (2012). Capital flow waves: Surges, stops, flight, and retrenchment. *Journal of international economics*, 88(2), 235-251.
11. Golosov, M., & Lucas Jr, R. E. (2007). Menu costs and Phillips curves. *Journal of Political Economy*, 115(2), 171-199.
12. Kehoe, P., & Midrigan, V. (2015). Prices are sticky after all. *Journal of Monetary Economics*, 75, 35-53.
13. Mendoza, E. G., Quadrini, V., & Rios-Rull, J. V. (2009). Financial integration, financial development, and global imbalances. *Journal of Political economy*, 117(3), 371-416.
14. Morelli, J. M., & Moretti, M. (2023). Information frictions, reputation, and sovereign spreads. *Journal of Political Economy*, 131(11), 3066-3102.

15. Nakamura, E., & Steinsson, J. (2008). Five facts about prices: A reevaluation of menu cost models. *The Quarterly Journal of Economics*, 123(4), 1415-1464.

4.2 List for bachelor students

16. Arellano, C., & Ramanarayanan, A. (2012). Default and the maturity structure in sovereign bonds. *Journal of Political Economy*, 120(2), 187-232.
17. Arezki, R., Ramey, V. A., & Sheng, L. (2017). News shocks in open economies: Evidence from giant oil discoveries. *The quarterly journal of economics*, 132(1), 103-155.
18. Blanchard, O., & Milesi-Ferretti, G. M. (2012). (Why) should current account balances be reduced?. *IMF Economic Review*, 60(1), 139-150.
19. Calvo, G. A. (1983). Staggered prices in a utility-maximizing framework. *Journal of monetary Economics*, 12(3), 383-398.
20. Calvo, G. A. (1998). Capital flows and capital-market crises: the simple economics of sudden stops. *Journal of applied Economics*, 1(1), 35-54.
21. Corsetti, G., Kuester, K., Meier, A., & Müller, G. J. (2013). Sovereign risk, fiscal policy, and macroeconomic stability. *The Economic Journal*, 123(566), F99-F132.
22. Cruces, J. J., & Trebesch, C. (2013). Sovereign defaults: The price of haircuts. *American economic Journal: macroeconomics*, 5(3), 85-117.
23. Lane, P. R., & Milesi-Ferretti, G. M. (2012). External adjustment and the global crisis. *Journal of International Economics*, 88(2), 252-265.
24. Rothenberg, A. D., & Warnock, F. E. (2011). Sudden flight and true sudden stops. *Review of International Economics*, 19(3), 509-524.