

GREP International Macroeconomics Module, Autumn 2009

Assignment for Part I (Philip R. Lane)

November 3rd 2009

- Deadline 10pm on Monday November 16th
- Three essays, each 2500 words (plus charts/figures/references)
- Double-spaced, font size 12, one inch margins on all sides
- PDF format
- Submitted via Turnitin

I am looking for well-structured, well-written, well-formatted essays that show you have a very good command of the material relevant to each topic. The lectures and syllabus provide relevant foundation material but please feel free to read more widely and come up with your own angles on the topics.

Topics

1. Measurement of Financial Globalisation

Critically assess the literature that seeks to construct measures of financial globalisation. What are the uses and limitations of such measures?

2. Exchange Rates and External Adjustment

Consider an economy that has accumulated a large net external liability position. Explain why such an economy may require real depreciation over the long run. Critically assess the empirical evidence for this mechanism.

3. Fiscal Policy and the Real Exchange Rate

Critically review the literature that seeks to estimate the short-run impact of fiscal shocks on the real exchange rate.