Econ 517: International Finance  
Fall 2011

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Office hours  
Sunday: 12:30-1:30. Wednesday: 2:00-3:00 or by appointment.

Meetings  
The class will meet on Sunday 6:00-8:25 pm, room C 107 Jameel building.

Required Textbooks  
There is no required textbook for this course; however, students may wish to review the international finance section in: Krugman and Obstfeld, *International Economics: Theory and Policy*, 7th edition as a background material for the topics covered in this course. The materials for this course are in the form of selected readings from academic papers and graduate textbooks.

Course Description  
This graduate course in international finance is divided into two parts. The first part introduces the basic theoretical foundations of open macroeconomics. This part is conducted in form of lectures given by the instructor. Students are expected to take class notes and read the assigned readings that will be discussed in class. The end of this first half of the course is marked by a midterm exam which intends to ensure that students understand well the basic theoretical foundations of international finance. This understanding is essential in order for the students to make a proper transition to the second part of the course.

The second part of the course presents an overview of the most important empirical issues in international finance literature. The second part of the course will be conducted in the form of a seminar where students present and critic some seminal papers dealing with empirical problems. Presentations could be done jointly with a classmate or individually.

A short (no more than 10 pages) theoretical or empirical paper is required one week before the last day of classes. It is encouraged that you co-author this paper with one of your classmates; however, you may do it individually. It is required that you submit a one page proposal/abstract during the first week of November.
Discussion and smart participation from all students, especially in the second half of the course, is not only encouraged but also required. Also easy reading in *The Economist* is highly recommended to keep you on top of important economic and financial news.

**Grading system**
Midterm 30%, participation and discussion 15%, presentations 25%, and term-paper 30%.

**Readings**
First half: Theoretical Foundation of International Finance
I will be closely following chapter 8 and 9 of Obstfeld and Rogoff (1997), *Foundations of International Macroeconomics*, MIT Press.


Second half: Leading Empirical Issues in International Finance


