

International Economics

Teacher: Ethan Kaplan

Homework III

Due Date: May 22, 2007

Question 1: Problem 3, Chapter 10 of Obstfeld and Rogoff (8 points)

Note: A referee report is a review of an article which has been submitted to a journal. An editor makes a request for a report to help her decide whether the article merits publication. Referee reports start with a one page summary of the paper. They are then followed by a couple of pages of comments and an ultimate recommendation to the editor on publication. In your comments, you should point out any mistakes, any problems with robustness of results, and you are also allowed to recommend changes to the paper. Your decision on the paper should be based upon not only how well the paper is executed but how robust the conclusions are and how novel the paper is within the literature.

Question 2: You are asked to do a referee report on Michael B., and Charles Engel, "Monetary Policy in the Open Economy Revisited: Price Setting and Exchange-Rate Flexibility," *Review of Economic Studies* for the Review of Economic Studies. (6 points)

Question 3: You are asked to do a referee report for

“[From World Banker to World Venture Capitalist: The US External Adjustment and the Exorbitant Privilege](#)”, located at :

<http://ist-socrates.berkeley.edu/~pog/academic/exorbitant/> for the American Economic Review (6 points)

Note II: this assignment looks short but it is deceiving. Each of the questions will take a while.