Exchange Rate Theory and

Practice former and insperior

(1979), 1-3, 1911-1987 (1979), 1-3, 1911-1987 (1977)

Edited by

John F. O. Bilson and Richard C. Marston



Contents

	John F. O. Bilson and Richard C. Marston	1
•	I. Recent Developments in Exchange Rate Theory and Policy	
1 .	Michael Mussa	13
	Comments: Jacob A. Frenkel, Rudiger Dornbusch, Pentti J. K. Kouri	
2.	Exchange Rate Policy after a Decade of "Floating" 7 William H. Branson	19
	Comments: Willem H. Buiter, Peter B. Kenen	
	II. Short-Run Determinants of the Exchange Rate	
3.		21
	Robert E. Cumby and Maurice Obstfeld	
4.	Properties of Innovations in Spot and Forward Exchange Rates and the Role of Money	
	Supply Processes Hans Genberg	53

viii	Contents		
5.	*	Exchange Rate Dynamics John F. O. Bilson	175
		Comment on Chapters 4 and 5: Richard M. Levich	
		III. Asset Demands and the Exchange Rate	
6.		International Portfolio Diversification: Short-Term Financial Assets and Gold Jorge Braga de Macedo, Jeffrey A. Goldstein, and David M. Meerschwam Comments: Bernard Dumas, Jeffrey A. Frankel	199
7.)	Tests of Monetary and Portfolio Balance Models of Exchange Rate Determination Jeffrey A. Frankel	239
8.		The International Role of the Dollar: Theory and Prospect Paul Krugman	261
		IV. Fundamental Determinants of the Real Exchange Rate	
9.		Real Exchange Rates in the 1970s Louka T. Katseli Comment: Willem H. Buiter	281
10.		The Real Exchange Rate, the Current Account, and the Speed of Adjustment Francesco Giavazzi and Charles Wyplosz Comment: Paul Krugman	335
		V. Foreign Exchange Intervention	
11.		Exchange Market Intervention Operations: Their Role in Financial Policy and Their Effects Dale W. Henderson Comment: Rudiger Dornbusch	357
12.		Exchange Rate Unions as an Alternative to Flexible Rates: The Effects of Real and Monetary Disturbances Richard C. Marston	407

Comment: Peter B. Kenen

ıx	Contents

443
469
499
517
519
521

-.