

International Macroeconomics (101681)

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<http://harrisdellas.net/teaching.html>

Class: Wed 15-18, F023 Unitobler

Course description: The goal of this course is to provide an introduction to the key issues in international macroeconomics. The topics include: The determination of exchange rates and interest rates, the foreign exchange market and the tools for the management of foreign exchange risk (forwards, options and swaps), theories of the current account and the real exchange rate, a comparison of the properties of alternative exchange rate systems (including currency unions), currency crises, macroeconomic policy in open economies, international capital flows and the international debt problem.

The course is to a large degree self-contained. The only requirement is knowledge of basic micro and macro.

Evaluation (grade). The grade will be determined exclusively by a final exam (75 minutes) consisting of essay and multiple choice questions. Sets of review questions as well as a sample exam will be made available during the exercise sessions.

Readings: The lecturers will circulate a set of short notes that will cover the main points discussed in class. These notes closely correspond to book chapters in standard open economy macro textbooks. For reference, the syllabus reports the corresponding chapters in the textbook by S. Husted and M. Melvin, "International Economics." Several copies of this textbook are on reserve at the VWI Library. But any of the other international macroeconomics textbooks that are available at the library covers the same material and thus provide an alternative, equivalent source of information.

CLASS SCHEDULE

Date	Topic	Ch. in Husted&Melvin
19/09	Introduction, Balance of Payments (Harris Dellas)	11 & 12
26/09	The Foreign Exchange Market (Guido Baldi)	13
03/10	Prices and Exchange Rates (Guido Baldi)	14
10/10	Exercises	
17/10	Exchange Rates, Interest Rates, and Interest Parity (Harris Dellas)	15
24/10	Foreign-Exchange Risk, Forecasting, and International Investment (Luca Benati)	16
31/10	Exchange Rate Systems (Guido Baldi)	19
07/11	Exercises	
14/11	Open-Economy Macroeconomic Policy and Adjustment (Luca Benati)	21
21/11	Exercises	
28/11	Exchange Rate Theories, International Debt (Harris Dellas)	18 & 20
05/12	Basic Theories of the Balance of Payments (Luca Benati)	17
12/12	Exercises	
19/12	Final Exam	
13/2	2nd Exam	