

Wahlpflichtfach in den Bachelorstudiengängen (Bachelor of Arts) aus dem Wahlpflichtbereich Internationale Wirtschaftsbeziehungen (3 Module)

Internationale Wirtschaftsbeziehungen C: Exchange Rates and International Macroeconomic Policy

Teaching	4 hours per week
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ECTS Credit points	5 = 150 hours
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Lecture:	60 hours = 15 x 4 hours per week
Self-study:	90 hours
	➤ case studies
	➤ reading

Lecturer	Dipl.-Volkswirtin Felicitas Kotsch
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Course objective and Learning Outcomes

Learning Objectives:

- Understanding of exchange rate determination
- Modern theory adaption of floating exchange rates
- Adaption of the working of fixed-rate systems
- Debate over which system, fixed or floating, is better
- Illustration and application of the theory of international macroeconomic coordination and the developing experience
- Understanding the growing importance of international capital markets and their actual problems such as special risks in the euro area, the functioning of global asset markets and foreign borrowing by developed and developing countries

Learning Outcomes:

Understanding of the main aspects of international monetary policy such as the consequences of different exchange rate systems, recent currency and financial crises, the growing financial relations between industrial and developing countries including problems of economic “globalization”.

In order to help the student grasp and retain the logic of international monetary theory and policy, pertinent data or policy questions will be presented and discussed at each stage of the course.

	<p>The course is mainly based on the book by Krugman/Obstfeld 'International Economics'.</p>
<p>Course content</p>	<p>Part I: Exchange Rates and Open Economy Macroeconomics Policy</p> <ul style="list-style-type: none"> • Floating exchange rates: An Asset Approach • Money, Interest Rates, and Price Levels • Exchange Rates in the Long and the Short Term • Fixed Exchange Rates and Foreign Exchange Intervention <p>Part II: International Macroeconomic Policy</p> <ul style="list-style-type: none"> • The International Monetary System, 1870-1973 • Macroeconomic Policy and Coordination under Floating Exchange Rates • Optimum Currency Areas and the European Experience • The Global Capital Market: Function and Special Risks • Developing Countries: Growth, Crisis, and Reform
<p>Suggested reading</p>	<ul style="list-style-type: none"> ➤ Krugman, Paul R. and Maurice Obstfeld: International Economics. Theory and Policy. 12Th Edition, Essex 2012 ➤ Krugman, Paul R.: The Return of Depression Economics and The Crisis Of 2008, London 2008 ➤ Further references will be given during the class
<p>Teaching methods</p>	<ul style="list-style-type: none"> • Lectures • Discussions • Case studies
<p>Assessment</p>	<p>Final exam (100% of the grade)</p>
<p>Teaching language</p>	<p>English</p>