

## COURSE SYLLABUS

# International Macroeconomics and Finance, 7.5 credits

*International Macroeconomics and Finance, 7,5 högskolepoäng*

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Course Code:	ECJK13	Education Cycle:	First-cycle level
Confirmed by:	Council for Undergraduate and Masters Education Jan 4, 2013	Disciplinary domain:	Social sciences (75%) and natural sciences (25%)
Revised by:	Council for Undergraduate and Masters Education Oct 22, 2014	Subject group:	NA1
Valid From:	Jan 19, 2015	Specialised in:	GIF
Version:	2	Main field of study:	Economics
Reg number:	IHH 2014/4292-122		

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## Intended Learning Outcomes (ILO)

After completing the course the student should be able to:

### *Knowledge and understanding*

- report, explain, and discuss the core principles of economics within international macroeconomics and finance including issues of employment, national income, investment.
- report, explain, and discuss information transmitted by analytical methods and model-based argumentation in international macroeconomics and finance.
- report, explain, and discuss how different methodological approaches in international macroeconomics and finance lead to different conclusions.
- report, explain, and discuss how exchange rates interact with other macroeconomic variables under floating and fixed exchange rate regimes.

### *Skills and abilities*

- apply abstract theorizing in an appropriate theoretical framework to consider the essential issues for a variety of problems in international macroeconomics and finance.
- apply economic concepts that have a broad use for decision making, e.g. opportunity cost, equilibrium, disequilibrium, and expectations, and demonstrate how these concepts are dealt with in the context of international macroeconomics and finance.
- demonstrate ideas and solve problems in international macroeconomics and finance using graphical, algebraic, and calculus-based techniques.

### *Judgement and approach*

- perform economic analysis in international macroeconomics and finance from a perspective of what is good for society, and be able to distinguish that what is good for some members of society is not necessarily what is good for all.

## Contents

The objective of the course is to develop a deeper understanding of how a macro economy behaves when it is open to trade and capital flows with other countries. The course is also concerned with exchange rate determination and monetary behavior under fixed exchange rates and policies involving

exchange rates.

Important elements of the course are the following:

- National income accounting and the balance of payments
- Market mechanisms of the foreign currency market
- Interest parity conditions
- Purchasing power parity
- Exchange rate determination
- How a macro economy adjusts to various exogenous shocks under floating exchange rate and fixed exchange rate regimes
- International monetary systems, 1870 to present
- Macroeconomic policy and coordination under floating exchange rates
- Optimum currency areas and European monetary agreements, including the EMU
- Financial crises involving the exchange rate.

### Type of instruction

Lectures and exercise sessions based on homework assignments.

The teaching is conducted in English.

### Prerequisites

30 credits in Business Administration or Economics including Microeconomic Principles and Mathematics for Economics, 7,5 credits (or the equivalent).

### Examination and grades

The course is graded A, B, C, D, E, FX or F.

There is one final written examination along with preliminary assessment (quizzing and/or assignment(s)) during the course. A summation of the grade on the preliminary assessment during the course (maximum 12 points) and the grade on the final examination (maximum 88 points) leads to an overall examination grade upon which the full 7.5 credits in the course is based.

All of the intended learning outcomes are assessed by through the written examination and the preliminary assessment.

Registration of examination:

Name of the Test	Value	Grading
Examination <sup>1</sup>	7.5 credits	A/B/C/D/E/FX/F

<sup>1</sup> Determines the final grade of the course, which is issued only when all course units have been passed.

### Course evaluation

It is the responsibility of the examiner to ensure that each course is evaluated. At the outset of the course, evaluators must be identified (elected) among the students. The course evaluation is carried out continuously as well as at the end of the course. On the completion of the course the course evaluators and course examiner discuss the course evaluation and possible improvements. A summary report is created and archived. The reports are followed up by program directors and discussed in program groups and with relevant others (depending on issue e.g. Associate Dean of Education, Associate Dean of

faculty, Director of PhD Candidates, Dean and Director of Studies). The next time the course runs, students should be informed of any measures taken to improve the course based on the previous course evaluation.

### **Other information**

#### *Academic integrity*

JIBS students are expected to maintain a strong academic integrity. This implies to behave within the boundaries of academic rules and expectations relating to all types of teaching and examination.

Copying someone else's work is a particularly serious offence and can lead to disciplinary action. When you copy someone else's work, you are plagiarizing. You must not copy sections of work (such as paragraphs, diagrams, tables and words) from any other person, including another student or any other author. Cutting and pasting is a clear example of plagiarism. There is a workshop and online resources to assist you in not plagiarizing called the Interactive Anti-Plagiarism Guide.

Other forms of breaking academic integrity include (but are not limited to) adding your name to a project you did not work on (or allowing someone to add their name), cheating on an examination, helping other students to cheat and submitting other students work as your own, and using non-allowed electronic equipment during an examination. All of these make you liable to disciplinary action.

### **Course literature**

#### *Compulsory literature*

Krugman, P. R., Obstfeld, M., and Melitz, M. International Economics: Theory and Policy, Ninth edition (2012) or later edition. New York: Addison-Wesley. ISBN-13: 978-0-273-75409-1 or ISBN-10: 0-273-75409-2

Supplementary material may be used.