

COURSE SYLLABUS

Exchange Rates and International Macroeconomics, 7.5 credits

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Course Code:	ECPN13	Education Cycle:	First-cycle level
Confirmed by:	Council for Undergraduate and Masters Education Jan 4, 2013	Disciplinary domain:	Social sciences (75%) and medicine (25%)
Revised by:	Council for Undergraduate and Masters Education Oct 22, 2014	Subject group:	NA1
Valid From:	Jan 19, 2015	Specialised in:	G2F
Version:	2	Main field of study:	Economics
Reg number:	IHH 2014/4295-122		

Intended Learning Outcomes (ILO)

On completion of the course the students will be able to:

Knowledge and understanding

1. demonstrate recognition of current research issues in international macroeconomics and discuss the core principles of economics as they relate to dealing with those issues and to formulating policy in international macroeconomics.
2. discuss what type of information is transmitted by analytical methods and model-based argumentation in international macroeconomics, including within a dynamic environment.
3. explain how exchange rates interact with other macroeconomic variables, including in a dynamic environment.

Skills and abilities

1. apply abstract theorizing in an appropriate theoretical framework to consider the essential issues for a variety of problems in international macroeconomics, including those of a dynamic nature.
2. search for, collect, organize, deploy, assess, and critically interpret relevant evidence, data and information concerning a given problem in international macroeconomics.
3. independently identify, formulate, investigate, and analyze problems in international macroeconomics, perform tasks within given time frames, and manage his or her own learning with support and guidance.
4. apply economic concepts that have a broad use for decision making, e.g. opportunity cost, equilibrium, disequilibrium, and expectations, and discuss issues resulting from policy changes or other exogenous events in international macroeconomics, including in a dynamic environment.
5. demonstrate ideas and solve problems within the area of international macroeconomics using graphical, algebraic, and calculus-based techniques.

Judgement and approach

1. carry out an empirical investigation in the field of exchange rates and international macroeconomics in a manner that avoids potential bias from the researcher.

Contents

The objective of this course is to introduce students to the more advanced issues associated with a macro economy open to trade and international capital flows, including exchange rate determination and monetary behavior under fixed exchange rates. Important elements of the course include the following:

The course will cover the following topics:

- Market efficiency and rational expectations in the exchange market
- Exchange rate volatility
- The risk premium
- Optimum currency areas
- Target zones
- Crises and credibility

Various topics of the G1F course International Macroeconomic and Finance course will be revisited to develop them further theoretically, to discuss associated empirical tests, or to complement the other material in this course.

Type of instruction

Lectures and exercise sessions based on homework assignments.

The teaching is conducted in English.

Prerequisites

60 credits in Business Administration or Economics including including International Macroeconomics and Finance, 7.5 credits or Intermediate Macroeconomic Theory, 7.5 credits and either Business Statistics 2, 7.5 credits or Econometrics 1, 7.5 credits (or the equivalent).

Examination and grades

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

The intended learning outcomes are assessed by the means shown below.

Knowledge and understanding 1-3: Written exam and written assignment

Skills and Abilities 1,4,5: Written exam and written assignment

Skills and Abilities 2,3: Written assignment

Judgment and approach 1: Written assignment

Course grades are given based on the performance on a written exam and a written assignment. The written assignment accounts for 10% or 20% of the final grade depending on its quality relative to the written exam grade, with the percentage used being that which is more favorable for the student.

Registration of examination:

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

¹ 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

Literature

- Copeland, L.S. (2008) Exchange Rates and International Finance. 5th edition, Pearson Education Limited [ISBN: 978-0-273-71027-1], or later edition.
- Supplementary material may be used.