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| Title of course | **M7. C International Monetary Economics** |
| Responsible instructor | Prof Dr Robert Richert |
| Learning objectives | * Interpret different balance-of-payments equilibria * Analyze pros and cons of discretionary exchange-rate policies * Apply time inconsistencies to the intertemporal balance-of-payments theory * Characterize different scenarios of fiscal policy in open economies * Capture different lessons learnt from historical financial crises * Construct guidelines to fight financial crises in a sustainable way * Design major rules to be taken into account for a promising EMU future |
| Course contents | 1. Balance of payments  1.1 Sub-balances  1.2 External equilibrium  2. Elasticity approach  2.1 Assumptions  2.2 Exchange rate policy measured in national currency  2.3 Exchange rate policy measured in foreign currency  2.4 Evaluation  3. Further balance-of-payments theories  3.1 Absorption approach  3.2 Monetary balance-of-payments theory  3.3 Intertemporal balance-of-payments theory  4. Fiscal policy in open economies  4.1 Global goods market  4.2 Mundell-Fleming model  5. Financial crises  5.1 Descriptive and explanatory analysis  5.2 Lessons learnt  6. European Economic and Monetary Union  6.1 Main stages  6.2 European Central Bank  6.3 “Euro crisis”  6.4 Lessons learnt |
| Teaching methods | * Lectures * Exercises * Hermeneutic discourses * Maieutic discourses * Discussion * Project work * Student presentations * Self-study |
| Prerequisites | There are no formal requirements. |
| Suggested reading | Preferably most recent edition:   * Appleyard, D. R. / Field, A. J.: International Economics, Reading/Mass. et al. * Berg, H. van: International Economics, Reading/Mass. * Pugel, Th. / Lindert, P.: International Economics, Boston et al. * Richert, R.: Internationale Wirtschaftsbeziehungen, Berlin et al. * Lecturer’s scripts:   Balance of Payments  Elasticity Approach  Absorption Approach  Monetary Balance-of-Payments Theory  Intertemporal Balance-of-Payments Theory  Fiscal Policy in the Goods Market  Mundell-Fleming Model  European Economic and Monetary Union |
| Applicability | This course is in particular applicable to the following Master programmes:  International Business and Economics (M.A.; “IBE”), Finance (M.Sc.).  This course is also applicable to other business-oriented Master programmes offered by Schmalkalden University of Applied Sciences. |
| Workload | Total workload: 150 hours, of them:   * Lecture: 36 * Self-study: 114, of them: * Course preparation (in particular reading): 28 * Follow-up: 36 * Preparation for academic research project: 30 * Exam preparation: 20 |
| ECTS credit points and weighting factor | 5 ECTS credit points; weighting factor: 5/120 (IBE) or 5/90 (Finance), respectively |
| Basis of student evaluation | * Comprehensive written examination, 90 minutes (80%) * Presentation of student research project (20%) |
| Time | First academic year |
| Frequency | Each academic year |
| Duration | One semester |
| Course type | Elective course |
| Remarks | Teaching language is English. |