

2019.HS

Module Name: International Economics	
Module Code	w.MA.XX.INE-PiE.19HS
Module Description	Students learn to apply economic concepts to the analysis of events in the world economy. Combining theoretical lectures with applied work in case studies, the module covers the most important recent developments in international economics and their impact on international finance. Students learn how exchange rates are determined in an open economy and the role played by national interest rates and expectations. Students learn how central banks in industrial and developing countries react and how they affect the international capital market.
Program and Specialization	Banking and Finance (PiE)
Legal Framework	Academic Regulations MSc in Banking and Finance dated 29.09.2011, Appendix to the Academic Regulations for the degree program in Banking and Finance, first adopted on 28.08.2012
Module Category	Module Type: Compulsory
ECTS	3
Organizational Unit	W Fachstelle Wirtschaftspolitik Ltg.
Module Coordinator	Maria Clara Rueda Maurer (rued)
Deputy Module Coordinator	Suzanne Ziegler (zisu)
Prerequisite Knowledge	Introductory courses on economic principles and macroeconomics
Contribution to Program Learning Goals (Affected by Module)	<ul style="list-style-type: none"> § Professional Competence § Methodological Competence § Social Competence § Self-Competence
Contribution to Program Learning Objectives	<ul style="list-style-type: none"> Professional Competence <ul style="list-style-type: none"> § Knowing and Understanding Content of Theoretical and Practical Relevance § Apply, Analyze, and Synthesize Content of Theoretical and Practical Relevance § Evaluate Content of Theoretical and Practical Relevance Methodological Competence <ul style="list-style-type: none"> § Problem-Solving & Critical Thinking § Scientific Methodology § Work Methods, Techniques, and Procedures § Information Literacy § Creativity & Innovation Social Competence <ul style="list-style-type: none"> § Written Communication § Oral Communication § Teamwork & Conflict Management § Intercultural Insight & Ability to Change Perspective Self-Competence <ul style="list-style-type: none"> § Self-Management & Self-Reflection § Ethical & Social Responsibility § Learning & Change
Module Learning Objectives	<p>Students...</p> <ul style="list-style-type: none"> § Understanding how exchange rates are determined in an open economy § Understanding how national interest rates are determined and how they affect the international capital market § Understanding how central banks in different countries are affected and in turn affect the international capital market
Module Content	<ul style="list-style-type: none"> § Exchange rates and open economy macroeconomics: National income accounting and the balance of payments; an asset approach to exchange rate determination. § Money, interest rates, and the exchange rate: National money markets, monetary policy and interest rates and how they feed into the foreign exchange market § Prices and the exchange rate: Explaining and discussing how exchange rates are determined in the long term. Explaining how inflation affects the interest rate in the long term § Output and the exchange rate in the short run: Explaining the role of the exchange rate in determining the aggregate demand for a country's output. Explaining the relationship between macroeconomic policies, the current account balance, and the exchange rate. § Fixed exchange rates and foreign exchange intervention: Understanding how a central bank must manage monetary policy in order to fix the exchange rate. Discussing causes and effects of balance of payment crises.

Links to other modules	The content of this module is linked to the following module: w.MA.XX.IRB-PiE.19HS		
Methods of Instruction	§ Lecture § Case Studies § Exercises § Problem-Oriented Teaching	Social Settings Used: Group Work	
Digital Resources	§ Reader § Teaching Videos § Teaching Materials		
Type of Instruction	Classroom Instruction	Guided Self-Study	Autonomous Self-Study
Lecture	24 h	46 h	
Excercise	-	-	
Project Work	-	-	
Seminar	-	-	
Total	24 h	46 h	20 h
Performance Assessment			
End-of-module exam	Form	Length (min.)	Weighting
Written exam	Closed book	60	100.00 %
Permitted Resources	Approved calculator according to "Guidelines on Supplementary Materials"	With dictionary	
Others			
	Assessment	Length (min.)	Weighting
-	-	-	-
Students are not allowed to revise and resubmit performance assessment tasks.			
Classroom Attendance Requirement	-		
Language of Instruction/Examination	English		
Compulsory Reading	Krugman, P., Obstfeld, M. & Melitz, M. (2018). International finance Theory and policy. 11th edition. UK: Pearson. ISBN 1-292-23873-9.		
Recommended Reading	Pertinent articles will be posted in Moodle		
Comments	-		