

International Finance
Lecture (073 025) and Tutorial (073 026)
Winter Term 2021/22

Course description

The course provides an introduction to international monetary economics. The beginning of the course will focus on theoretical aspects, such as international capital flows and exchange rates. Later on, we will analyse the impact of different exchange rate regimes on monetary and fiscal policy effectiveness. We will also discuss the causes and effects of international financial crises, such as the euro crisis.

Enrolment

Enrolment is open to Bachelor students only. All RUB Bachelor students can enrol if they comply with the course prerequisites (see below). Students from abroad (Erasmus or other exchange students) may also enrol, as long as they are Bachelor (undergraduate) students. Upon successful completion of this course, five credit points (ECTS) can be earned.

Prerequisites

Before enrolling in this course, we recommend that you take an introductory course in macroeconomics ("Grundlagen der Makroökonomik").

Lecture and Tutorial

Important note: We will offer this course mainly online. It will be based on the recorded lectures and tutorials from last semester (already uploaded in Moodle). You may watch them at any time. Apart from the online material, the teaching assistant in charge, Tim Vogel, will offer two tutorials in person for a recap of the main issues and exam preparation:

Thursday, January 13, 2022, 2-4 pm, HGB 10

Thursday, January 20, 2022, 2-4 pm, HGB 10

Please note that you will have to be vaccinated, recovered, or tested ("3G") to attend the tutorials in person. In line with the university's regulations, we have to check that before entering the lecture hall.

Topics covered

Part A: Exchange Rates and Open-Economy Macroeconomics

National Income Accounting and the Balance of Payments

Exchange Rates and the Foreign Exchange Market: An Asset Approach

Money, Interest Rates, and Exchange Rates

Price Levels and the Exchange Rate in the Long Run

Output and the Exchange Rate in the Short Run

Fixed Exchange Rates and Foreign Exchange Intervention

Part B: International Macroeconomic Policy

International Monetary Systems: An Historical Overview

Financial Globalisation: Opportunity and Crisis

Optimum Currency Areas and the Euro

Exam and Grading

The exam will take place on Friday, February 4, 2022, 4.30-5.30 pm (60 minutes). Like all other exams before the pandemic, it will be a closed-book exam in person. While the exam accounts for 100% of your grade, you can improve your grade by taking an online test on 16 January 2022, at 6.00 pm. We will announce details in January 2022.

Moodle

We have posted all recorded lectures and tutorials, the slides and additional material in Moodle. To obtain the password for the Moodle course, please contact the FSI Student Council (Fachschaftsinitiative) at <https://www.fsi-wiwi.de/tools/passwortverteiler/>.

Literature

The textbook for both the lecture and the tutorial will be Paul Krugman, Maurice Obstfeld and Marc Melitz, International Economics – Theory and Policy, 11th Edition, Pearson Education, 2018.

Language of Instruction

The lecture, tutorial and exam will be held in English.

Contact Person

The contact person for all questions regarding the organisation and content of the course is Tim Vogel (room GD 03/329, e-mail tim.vogel@rub.de, office hours by appointment only). Please note that consultation hours will start in early January 2022.