

**International Finance**  
**Lecture (073 025) and Tutorial (073 026)**  
**Winter Term 2019/20**

**Contents**

The course offers an introduction to international monetary economics. Theoretical aspects of international monetary economics are covered, such as international capital flows and exchange rates. In addition, the impact of different exchange rate systems on the effectiveness of monetary and fiscal policy is analysed. Also discussed are the causes and effects of international financial crises.

**Enrolment**

Enrolment is open to Bachelor students only. All Bachelor students from Ruhr University Bochum can enroll, provided that they comply with the course prerequisites (see below). Students from abroad (Erasmus or other exchange students) may also enroll, as long as they are Bachelor (undergraduate) students. Upon a successful completion of this course, 5 credit points (ECTS) can be earned. There will be no restrictions on the number of students enrolled.

**Prerequisites**

Principles of Macroeconomics (Grundlagen der Makroökonomik).

**Class times Lecture**

Thursdays, 2.00-3.30 pm, HGB 10. Note that the lecture in the first semester week will start on Wednesday, 9 October 2019, 4.15-5.45 pm, HGB 10 (there will be no lecture on 10 October 2019). The weeks thereafter, the lecture will be held as scheduled on Thursdays, 2.00-3.30 pm, HGB 10.

**Tutorial**

There will be a tutorial for a recap of the main issues of the lecture as well as applications of the material covered. Jennifer Rogmann is the teaching assistant in charge. Tutorial time: **either** Mondays 2-4 pm (HZO 80) **or** Tuesdays 2-4 pm (HZO 60), starting 14 October 2019.

**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 Globalization: Opportunity and Crisis
- Optimum Currency Areas and the Euro
- Developing Countries: Growth, Crisis, and Reform

### **Grading**

The exam (60 minutes) makes up 100% of the grade (exact day and time to be announced).

### **Lecture slides**

All lecture slides will be posted in Moodle. The password for accessing Moodle will be handed out in the first lecture; alternatively, please contact the FSI (Fachschaft).

### **Literature**

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

### **Language of instruction**

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

### **Contact person for enquiries**

Jennifer Rogmann is the contact person for all enquiries regarding the organization and contents of the course (room GD 03/329, e-mail [jennifer.rogmann@rub.de](mailto:jennifer.rogmann@rub.de), office hours Tue 10.00-12.30 and Thu 3.30-5.00 pm).