

Academic Year: ( 2017 / 2018 )

Review date: 27-11-2017

Department assigned to the subject: Economics Department

Coordinating teacher: FUSTER PEREZ, MARIA LUISA

Type: Electives ECTS Credits : 6.0

Year : Semester :

**REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)**

Macroeconomics and Dynamic Macroeconomics.

**OBJECTIVES**

The goal of the course is that the student learns the analytical tools to study the most relevant topics of international macroeconomics.

The student will acquire the following knowledge:

- Understand the concept of current account and its determination.
- Understand the exchange rate and covered and uncovered parities.
- Understand the pros and cons of different exchange regimes.
- Apply tools to discuss the problems inside the EU and the current account deficit.

The student will be able to:

- Compute how interest rates and expectations affect the exchange rate.
- Determine the effects of savings and investment on the current account.
- Analyze graphically the effects of monetary and fiscal policy under different regimes.

The next skills will be taught to:

- Solving problems both graphically and analytically
- Use economic theory to understand current events

The student must have:

- An open and critical mind about the effects of globalization
- A scientific approach to analyze the current economic problems.

**DESCRIPTION OF CONTENTS: PROGRAMME**

The course develops an analytical framework to study different international macroeconomic topics: current account, exchange rates, relationship between interest rates and inflation, monetary and fiscal policy under different regimes. These tools will be useful to understand current policy issues as European Union, the role of China in the world economy or the financial crisis.

**LEARNING ACTIVITIES AND METHODOLOGY**

The course will be given in lectures, both theory and practice, in class. Additionally, the students are required to do problem sets and case studies. These problem sets and case studies are necessary to learn the material.

**ASSESSMENT SYSTEM**

A 10% is the problem sets and class participation, another 30% is based on a midterm exam and the last 60% is the final exam.

<b>% end-of-term-examination:</b>	60
<b>% of continuous assessment (assignments, laboratory, practicals...):</b>	40

**BASIC BIBLIOGRAPHY**

- Krugman, P., M. Obstfeld and M. Melitz International Economics (9th edition), Pearson Education, 2011
- Krugman, P., M. Obstfeld and M. Melitz International Economics, 10th edition, Pearson Education.,

