

JOHANNES GUTENBERG-UNIVERSITÄT MAINZ – D 55099 Mainz

**Advanced International Economics I:
International Macroeconomics
(Summer Semester 2014)**

Course information

FACHBEREICH 03
Rechts- und Wirtschaftswissenschaften

Lehrstuhl für Volkswirtschaftslehre,
insb. International Economics

Univ.-Prof.
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Course description

This **master-level course** provides students with the conceptual framework that is required to understand the implications of countries' current account imbalances, to identify the factors that determine the volume and composition of international capital flows, to interpret exchange rate fluctuations, and to assess the scope for monetary and fiscal policy in open economies. The presentation of analytical tools and theoretical concepts will be augmented by a discussion of the empirical evidence.

The lecture will cover the following topics:

- Balance of payments accounting and the intertemporal approach to the current account: A review
- Extending the intertemporal model: The role of demographic change, nontraded goods, and default risk
- International diversification: Portfolio choices and asset prices
- Understanding exchange-rate fluctuations
- Monetary and fiscal policy in open economies

Times and places:

Start of course: May 08, 2014:

Thursday, May 08, 2014 (12-6 pm, HS V),
Friday, May 09, 2014 (8-12 am and 2-6 pm, HS V),
Thursday, May 15, 2014 (12-6 pm, HS V),
Friday, May 16, 2014 (8-12 am, HS V);
Friday, July 11, 2014 (2-6 pm, HS IV)

Note:

Problem sets and solutions will be made available to participants via ILIAS. The meeting on July 11 will provide an opportunity to discuss these solutions.

Prerequisites:

Lectures and tutorials will be given in English. A good command of the English language is therefore required for attending this course.

Literature:

Harms, Philipp (2008): *Internationale Makroökonomik*, Mohr Siebeck.

Copeland, Laurence (2005): *Exchange Rates and International Finance*, 4th edition, Prentice Hall.

Corsetti, Giancarlo and Paolo Pesenti (2008): "The Simple Geometry of Transmission and Stabilization in Closed and Open Economies", *NBER International Seminar on Macroeconomics 2007*, NBER.

Feenstra, Robert and Mark Taylor (2008): *International Economics*, Worth Publishers.

International Monetary Fund (2011): *Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual*, available at <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>

International Monetary Fund (2012): *FAQs on Conversion from BPM5 to BPM6*, available at <http://www.imf.org/external/pubs/ft/bop/2007/bpm6faq.pdf>

Krugman, Paul, Maurice Obstfeld, and Marc Melitz (2012): *International Economics – Theory and Policy*, 9th edition. Boston (Addison Wesley). (Previous editions are also fine for our purposes.)

Mark, Nelson (2001): *International Money and Finance*, Wiley-Blackwell.

Van Marrewijk, Charles (2007): *International Economics – Theory, Application and Policy*, OUP.

Obstfeld, Maurice and Kenneth Rogoff (1996): *Foundations of International Macroeconomics*, MIT Press.

Reading List and Teaching Materials

The lecture presentations will be available through **ILIAS** (<https://ilias.uni-mainz.de>). The password will be announced before the first lecture.