Prof. Dr. Philipp Harms
Johannes Gutenberg-University Mainz
International Economics

Exchange rates and international capital markets

(Summer semester 2013)

Preliminary Program and References

(This version: April 15, 2013)

Note: The transparencies used in this course as well as further information are available in **ReaderPlus**. Recommended readings are given in brackets.

1. Introduction

2. The Balance of Payments

2.1.   The balance of payments (K/O 12, PhH 2, CvM2)

2.2.   Savings, investment, and the current account (K/O 12, PhH3)

3. Intertemporal Trade and the Current Account

3.1.   The current account of a small open economy (O/R 1.1, PhH3)

3.2.   Determining the world interest rate (O/R 1.3, PhH3)

4. Intertemporal Trade: Extensions

4.1.   Government spending, budget deficits, and the current account
(O/R 1.1.6, 1.2.4, 3.1, PhH 4.3)

4.2.   Country risk: determinants and consequences (O/R 6, PhH 6.3)

5. The Exchange Rate

5.1.   Basic concepts and definitions (PhH 8, CvM 18-19)

6. Monetary and fiscal policy in open economies

References

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

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

Feenstra, R. and M. Taylor (2008): International Economics, Worth Publishers.

Krugman, Paul R., Maurice Obstfeld, and Marc J. Melitz (2012): International Economics – Theory and Policy, 9th edition, Pearson.**(K/O)**
(Previous editions are also fine for our purposes.)

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

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