

## COURSE CONTENT

<b>Course Coordinator</b>	Joseph Dennis Alba
<b>Course Code</b>	HE2006
<b>Course Title</b>	International Monetary Economics
<b>Pre-requisites</b>	HE1002 Principles of Macroeconomics/ HE9091 Principles of Economics/ HE5091 Principles of Economics/ AB0901 Principles of Economics: A Singapore Perspective
<b>No of AUs</b>	3
<b>Contact Hours</b>	39 hours (2 hr lecture & 1 hr tutorial per week)

### **Course Aims**

This course will equip you with the theoretical tools (economic models) for analyzing the impact of macroeconomic policies and of changes in the global economic environment on exchange rates, output, prices, balance of payment, and other macroeconomic aggregates. You will also gain deeper understanding of selected special topics in international monetary economics such as causes, policies and economic outcomes of financial and economic crises and implementation of monetary and exchange policies in different countries.

### **Intended Learning Outcomes (ILO)**

By the end of this course, you (as a student) would be able to:

1. Explain the determination of exchange rate, aggregate prices, output and other macroeconomic variables in an open economy.
2. Analyze the impact of policies on macroeconomic aggregates in an open economy.
3. Work, manage time and negotiate content or solutions within a team.

### **Course Content**

- Introduction to the course: National Income Accounting and 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 (Part 1)
- Output and the Exchange Rate in the Short Run (Part 2)
- Fixed Exchange Rates and Foreign Exchange Intervention
- The International Monetary System and Macroeconomic Policy and Coordination under Floating Exchange Rates
- Optimum Currency areas and the Euro
- Financial globalization
- Selected topics

### **Assessment (includes both continuous and summative assessment)**

Continuous Assessment	:	50%
Final Examination	:	<u>50%</u>
<b>Total</b>	:	<u><b>100%</b></u>

## Reading and References

KOM: Krugman, Obstfeld & Melitz, International Finance: Theory and Policy, Addison Wesley, 11th edition, 2018 (or older editions).

You may also use

KOM: Krugman, Obstfeld & Melitz, International Economics: Theory and Policy, Addison Wesley, 11th edition, 2018 (or older editions).

Additional references may be given in the lectures.

## Course Instructor

Instructor	Office Location	Email
Joseph D. ALBA	SHHK 04-80	ajalba@ntu.edu.sg

## Planned Weekly Schedule

Week	Topic	Course LO	Readings/ Activities
1	Introduction to the course National Income Accounting and Balance of Payments	1,2	KOM Ch2, Lecture notes will be provided
2	Exchange Rates and the Foreign Exchange Market: An Asset Approach	1,2	KOM Ch3, Lecture notes will be provided
3	Money, Interest Rates, and Exchange Rates	1,2	KOM Ch4, Lecture notes will be provided
4	Price Levels and the Exchange Rate in the Long Run (Groups will be formed)	1,2,3	KOM Ch5, Lecture notes will be provided
5	Output and the Exchange Rate in the Short Run (Part 1)	1,2,3	KOM Ch 6, Lecture notes will be provided
6	Output and the Exchange Rate in the Short Run (Part 2)	1,2,3	KOM Ch 6, Lecture notes will be provided
7	Fixed Exchange Rates and Foreign Exchange Intervention	1,2,3	KOM Ch 7, Lecture notes will be provided
<b>Recess Week</b>			
8	The International Monetary System and Macroeconomic Policy and Coordination under Floating Exchange Rates	1,2,3	KOM Ch 8, Lecture notes will be provided
9	Optimum Currency areas and the Euro	1,2,3	KOM, Ch 10, Lecture notes will be provided.
10	Professor Obstfeld's video on: Financial Globalization: <a href="https://www.youtube.com/watch?v=V5N6_MvnqA">https://www.youtube.com/watch?v=V5N6_MvnqA</a> ; Review of materials from the text/lectures		KOM, Ch 9 / Review of materials from the text/lectures. <a href="https://www.youtube.com/watch?v=V5N6_MvnqA">https://www.youtube.com/watch?v=V5N6_MvnqA</a> ;

11	Presentation of term papers.	1,2,3	Slides will be provided
12	Presentation of term papers.	1,2,3	Slides will be provided
13	Presentation of term papers / Review of materials discussed in the term papers.	1,2,3	Slides will be provided