

International Finance ECON 552

Course objective

The course looks *at* aggregate international economic variables and shows how they interact with domestic aggregate variables. The variables of concern in a standard macro class include exchange rates, aggregate exports and imports, trade balances, current account and capital account balances, and the balance of payments.

Evaluation:

- Reading and analysis, 20 points
- Exam 20 points
- Research paper, 20%
- Final Exam, 40 points

The main issues the course will cover include,

- National Income and the Balance of Payments Accounts
- Trade Imbalances
- Foreign Exchange Markets
- Interest Rate Parity
- Purchasing Power Parity
- Interest Rate Determination
- National Output Determination
- The AA-DD Model
- Policy Effects with Floating Exchange Rates
- Fixed Exchange Rates
- Policy Effects with Fixed Exchange Rates
- International Monetary System: Case Studies
- Fixed vs. Floating Exchange Rates