

## **Syllabus for International Finance**

### **2 SWS Lecture & 2 SWS Tutorial - 5 ECTS**

Lecture: Thursday, 9.45-11.15 h, LG H2, starting date: 20 October 2016  
Tutorial: Two groups: Monday, 15-16.30 & 16.45-18.15, LG 0.422, start: 24 October  
Language: English  
Office hours: by appointment

#### **Concept:**

The course "International Finance" is designed for students of the Master in International Business Studies (MIBS). This course covers a wide range of topics (e.g., national accounts and capital flows, exchange rates and exchange rate regimes, international financial system, international banking and central banking). It will be light on formal models and techniques and put particular emphasis on how international institutions work, on policy implications and on the relevance for business.

The lecture will take place in the first part of the semester. The covered contents will be tested in an exam (5 ECTS). Students can improve their grade up to one unit by a group presentation. Topics will be proposed during the lectures (related to covered material). Students are asked to perform a data analysis, to present a case study or to discuss a scientific paper.

DMSE, FACT and Erasmus students are also welcome to attend the course. The former will be expected to use techniques in the presentation that are connected to the lecture "Macroeconomics I" in the DMSE (e.g. analysis or simulation of an open economy macroeconomics framework).

#### **Structure of the Lecture Part:**

1. Trade Flows, Capital Flows, and the Balance of Payments
2. The Market for Foreign Exchange
3. Exchange Rate Systems
4. The Forward Currency Market and International Financial Arbitrage
5. Interest Yields, Interest Rate Risk, and Derivative Securities
6. International Banking and Central Banking
7. International Business Cycles and Major Puzzles

#### **Text book:**

Daniels, Joseph P. and David D. Van Hoose (2013). International Monetary and Financial Economics, Pearson. Note: The text book will serve as a basis for the first part of the lecture (except for the last chapter). It will be supplemented by case studies/real life examples by the lecturer. The last chapter is based on scientific literature such as Obstfeld, Maurice and Kenneth Rogoff (2000) "Six Major Puzzles in Macroeconomics." NBER Macroeconomics Annual, 15, 339-390.