

DIPLOMA IN EUROPEAN BUSINESS AND ECONOMICS

Module Description OPEN ECONOMY MACROECONOMICS

Total contact hours	45
ECTS	5 (6 UC credits)
Taught by	Prof. Dr. José Villaverde Castro –Coordinator-
Learning goals related to	<p>Technical Competence: The only prerequisite is a background in economic theory, both at micro and macro level.</p> <p>Methodological Competence: The objective of this module is to broaden the knowledge on the performance of small open economies. To this end, this intermediate course presents the main (traditional and modern) theories trying to explain the monetary and macroeconomic relations between countries.</p> <p>Social Competence: Students are expected to attend classes, to actively participate in these classes, and compose a term paper.</p> <p>Personal Skills: Students are introduced to and gain experience in using the main models for small open economies.</p>
Content	<p>Programme</p> <p>Chapter 1: Introductory Concepts: The Foreign Exchange Market and the Balance of Payments</p> <p>Chapter 2: Elasticity and Absorption Approaches to the Balance of Payments</p> <p>Chapter 3: The Mundell-Fleming Model</p> <p>Chapter 4: The Monetary Approach to the Balance of Payments</p> <p>Chapter 5: The Purchasing Power Parity</p> <p>Chapter 6: The Monetary Approach to Exchange Rate Determination</p> <p>Chapter 7: The Portfolio Balance Model</p> <p>Chapter 8: Fixed versus Floating Exchange Rate Regimes</p>
Teaching material	<ul style="list-style-type: none"> ▪ Recommended Text: <ul style="list-style-type: none"> - Pilbeam, K. (2006). <i>International Finance</i>, Palgrave, Macmillan ▪ Additional texts and materials: <ul style="list-style-type: none"> - Krugman, P. and Obstfeld, M. (2005) <i>International Economics</i>, Addison-Wesley Publishing Company - Pugel, T (2004) <i>International Economics</i>, McGraw-Hill - Pentecost, E. (1993) <i>Exchange Rate Dynamics</i>, Edward Elgar - Copeland, L. S. (2000) <i>Exchange Rates and international Finance</i>, Prentice Hall

	Some papers will be distributed during classes
Teaching methods	<ul style="list-style-type: none"> The classes mainly consist of lectures. Open discussion is encouraged related to both theoretical and policy issues. The composition of a term paper is compulsory
Assessment	Written exam, written paper and student's active participation in classes

Workload	Contact hours:	45
	Preparation and follow up of lectures:	30
	Student's paper:	20
	Presentations:	20
	Preparation for a final written assignment:	10
International aspects	<ul style="list-style-type: none"> The very topic of this Module is international 	
Cross-cultural reference	<ul style="list-style-type: none"> Participants of international origin. 	
Course language	<ul style="list-style-type: none"> English 	
Integration of business partners	<ul style="list-style-type: none"> I class discussions led by the instructor, you can post questions, seek clarification, and interact with your fellow international students and the instructor. 	
Particularities	<ul style="list-style-type: none"> This course is strongly recommended for students of social sciences 	