

International Finance

Department: Fudan International Summer Session 2023

Course Code	ECON170010		
Course Title	International Finance		
Credit	2	Credit Hours	36 credit hours + 3 tutorial hours (one credit hour is 45 minutes)
Course Nature	<input type="checkbox"/> Specific General Education Courses <input type="checkbox"/> Core Courses <input checked="" type="checkbox"/> General Education Elective Courses <input type="checkbox"/> Basic Courses in General Discipline <input type="checkbox"/> Professional Compulsory Courses <input type="checkbox"/> Professional Elective Courses <input type="checkbox"/> Others		
Course Objectives	<p>This course focuses on the theory and practice of international finance, introducing the concepts and theories of exchange rates and balance of payments, followed by macroeconomic policies in an open economy.</p>		
Course Description	<p>We are going to cover the most important issues of the international economy in the last 20 years. Why China could export so much and accumulate huge foreign reserves? Why was the global economy seriously unbalanced before the 2008 crisis, with China and Germany on one side, while America and the southern European countries on the other side? Was the Euro turmoil just the aftershock of the American crisis, or a doomed disaster of the defective Euro system? Will the COVID-19 cause another global financial crisis? And as to the future, what is the reform direction of the international monetary system, what is a better framework of global financial governance, and what is the trend of our global economy?</p> <p>To address the above questions, we will equip you with the following tools: (1) basic concepts of international finance, such as the exchange rates, the balance of payments, the main types of the financial crisis, etc. (2) mainstream theory and analysis frameworks, including the workhorse models of small-open economy, policy games between countries, and causes of the financial crisis. (3) useful empirical analysis skills, arranging from data collection, statistical description, to econometric analysis.</p> <p>I hope you are interested in these topics and like to put efforts into reading, analysis, and discussion, which will bring with you not only clearer visions of the past but also deeper insights for the future.</p>		

Course Requirements:

Prerequisites: Macroeconomics and statistics.

Econometrics and software experience (such as Excel or Stata) are preferred but not required.

Teaching Methods:**Instructor's Academic Background:**

Senior Lecturer,

Department of Economics,

School of Economics, Fudan University

Email: fanxy@fudan.edu.cn

Course Schedule:

Lec.	Content	Exercise	Discussion
1	Introduction and Exchange Rate(EX)	√	
2	Theories of EX	√	
3	Exchange rate policy and crisis		√
4	The Balance of Payments(BOP)	√	
5	Theories of BOP	√	
6	Global imbalance and crisis		√
7	International monetary system and reform		√
8	International banking crisis		√
9	Sovereign debt crisis		√
10	Euro crisis and reform		√
11	International cooperation and governance		√
12	Global Economy after COVID-19		√

The design of class discussion or exercise, practice, experience and so on:

- The slides and materials for each lecture will be uploaded to E-learning in advance.
- There will be several exercises and discussions in class, which should be completed by groups of no more than 5 students organized by yourselves.

Grading & Evaluation:

The grading will include three parts:

- (10%) Attendance of the lectures.
- (45%) 3 times of group exercises in class, such as the calculation of exchange rates and statistical analysis of data;
- (45%) 3 times of group discussions and report in class.

Teaching Materials & References:

This course is based on one textbook, and some additional readings:

- R.C. Feenstra and A.M. Taylor: *International Macroeconomics (5th ed.)*, New York: McGraw-Hill, 2021
- C.M. Reinhart and K. Rogoff: *This Time is Different: Eight Centuries of Financial Folly*, Princeton University Press, 2009
- D. Rodrik: *Straight Talk on Trade: Ideas for a Sane World Economy*, Princeton, NJ: Princeton University Press, 2017
- A. Turner: *Between debt and the devil: Money, credit, and fixing global finance*, Princeton University Press, 2017