

International Finance

Department: Fudan International Summer Session

Course Code	ECON170010		
Course Title	International Finance		
Credit	2	Credit Hours	36+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>We are going to cover the most important issues of international economy in the last 20 years. Why China could export so much and accumulate huge foreign reserves? Why the global economy was 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? 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 financial crisis, etc. (2) mainstream theory and analysis frameworks, including the workhorse models of small-open economy, policy games between countries, and causes of financial crisis. (3) Useful empirical analysis skills, ranging 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 you not only clearer visions of the past, but also deeper insights for the future.</p>		
Course Description	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.		

Course Requirements:**Prerequisites:**

Macroeconomics and statistics. Econometrics and software experience (such as Stata, R, etc.) are preferred but not required.

Teaching Methods:

Lecture, presentation, group discussion

Instructor's Academic Background:

Dr. Fan received her PhD from the School of Economics, Fudan University in 2005. She is currently a lecturer in the School of Economics, Fudan University. Her research direction is macroeconomics. She teaches macroeconomics, international finance, and mathematical economics and has published papers in academic journals such as *Economic Research* and *World Economy*. She has hosted research projects of the National Natural Science Foundation and Shanghai Philosophy and Social Sciences. The "Macroeconomics" textbook written in cooperation with Professor Yuan Zhigang won the first prize of Excellent Teaching Materials Award of Shanghai Excellent Universities (2011) .

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Course Schedule

The coverage might adjust in the progress of the class.

Lec	Content	Exercise	Discussion
1	Introduction and Exchange	✓	
2	Theories of EX	✓	
3	Exchange Rate Policies 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 Financial Network		✓

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

Exercise, discussion.

Grading & Evaluation:

The grading will include four parts:

- (30%) 3-4 times of group exercises in class, such as the calculation of exchange rates and statistical analysis of data;
- (30%) 3-4 times of group discussion and report in class.
- (40%) 1 short paper within 1000 words (about 2-3 pages of A4 paper), on the topic, selected and finished by individual.

It should be noted that attendance is expected and will be taken in each class.

There will be no make-up exam.

Teaching Materials & References:

This course is based on two textbooks, and some additional readings.

- Required:

R.C. Feenstra and A.M. Taylor: International Macroeconomics (3th ed.), New York: McGraw-Hill, 2014

- Supplement:

P.R. Krugman, M. Obstfeld, and Marc Melitz: International Finance: Theory and Policy(11th ed.), Pearson, 2017

- Additional:

– C.M. Reinhart and K. Rogoff: This Time is Different: Eight Centuries of Financial Folly, Princeton University Press, 2009

– D. Rodrik: The globalization paradox: why global markets, states, and democracy can't coexist, Oxford University Press, 2011

– A. Turner: Between debt and the devil: Money, credit, and fixing global finance, Princeton University Press, 2017