

## Vesalius College

### Course description

**Course title:** International Monetary Economics

**Course code:** ECN 308E

**Teacher responsible:** Leo Van Hove

**Course description:**

International monetary economics analyzes the international interdependence that arises in the context of international trade in financial assets. Themes include: the balance of payments, exchange rate determination, and open-economy macroeconomics. Special attention will be given to the process of European monetary integration. Together with ECN307 (International Trade Theory and Policy), this course covers the most important recent developments in international economics. Prerequisite: ECN104.

**Course objectives:**

At the end of this course, students should understand the theories of international exchanges of assets and of exchange rate determination. They should be able to assess the scope and limitations of the theoretical arguments, and assess their validity in the real world. They should be able to analyze the impact of economic policies at home and abroad on variables that affect business decisions -- such as interest rates, exchange rates, and income. They should also understand the institutional framework of the international economy. The broader proficiencies you will develop during this semester include:

- **Skill 1** -- The ability to gain access to existing knowledge. Search out economic data and methods used to compile them, locate published research on particular topics and issues.
- **Skill 2** -- The ability to demonstrate command of existing knowledge. Summarize what is known about the current state of the economy, explain key economic concepts and how they are used by economists. Summarize a policy debate.
- **Skill 3** -- The ability to draw out existing knowledge. Read and interpret a published journal article, point out economic concepts and analysis used in daily newspapers or news magazines.
- **Skill 4** -- The ability to use existing knowledge to explore issues. Prepare a short paper which applies economic theories to an economic issue or problem. Orally present the progress and the results of the research.

**Grade weighting scheme:**

All students are required to complete three written assignments, give one oral report, and to take two examinations as well as one smaller test. The final grade for the course will be calculated on the following weighting:

Written assignments	30%
Test	5%
Midterm examination	25%
Final examination	40%

**Used course material (handbooks, readers, readings, newspapers, magazines) and references:**

The main text for the course is:

Paul R. Krugman and Maurice Obstfeld, International Economics: Theory and Policy, 7th edition, Addison-Wesley, Reading (Mass.), 2005 (ISBN 0-321-29383-5).

Companion website: <<http://www.myeconlab.com/krugman/>>

Other readings, including illustrations from the business and financial press, will be distributed either via the web site or in class. At this stage of your education, all of you should regularly read the business and financial press.