



Course guide

240784 - 240784 - International Economics

Last modified: 16/05/2023

Unit in charge: Barcelona School of Industrial Engineering
Teaching unit: 1039 - UPF - Universitat Pompeu Fabra.

Degree: BACHELOR'S DEGREE IN INDUSTRIAL TECHNOLOGIES AND ECONOMIC ANALYSIS (Syllabus 2018).
(Optional subject).

Academic year: 2023 **ECTS Credits:** 6.0 **Languages:** English

LECTURER

Coordinating lecturer: Francesco D'Ascanio (email: francesco.dascanio@upf.edu)

Others:

REQUIREMENTS

This course requires basic math (ex: understand the concept of a partial derivative, integral and simple functions), basic statistics and probability theory. Elementary knowledge of intertemporal macroeconomics is useful but not necessary. Basic knowledge in data/statistical packages will be needed to complete some of the problem sets.

TEACHING METHODOLOGY

The main material is presented in the lectures. During the lectures there will also be regular online quizzes. The students have to hand in some problem sets that are discussed in the seminars.

LEARNING OBJECTIVES OF THE SUBJECT

This course is an introduction to open economy macroeconomics and international finance. The main goal is to develop theoretical frameworks to analyze the determinants of international capital movements, trade imbalances and nominal and real exchange rates. The framework is applied to understand recent policy issues such as global financial imbalances, balance of payment crises, debt defaults and financial crises and exchange rate policy.



CONTENTS

Contents

Description:

- 1) Balance of Payments and Global Imbalances
- 2) Current Account Sustainability
- 3) Theoretical Analysis of Current Account Determination
- 4) Theoretical Analysis of Current Account Determination
- 5) External Adjustment in Small and Large Economies
- 6) Fiscal Policy and the Current Account
- 7) PPP and the Real Exchange Rate
- 8) International Capital Markets
- 9) Nominal Exchange Rate, Monetary Policy and Exchange Rate Policy
- 10) Optimal Currency Areas and the Euro Experience

Full-or-part-time: 48h

Theory classes: 30h

Practical classes: 9h

Guided activities: 9h

GRADING SYSTEM

The final grade will be based on three parts:

- 30% Seminars: Problem Sets.
- 10% Online Quizzes.
- 60% Final Exam.

Seminars: There are 6 seminars. Before each seminar students have to upload the solutions of the problem set in Aula Global. Students can work on the exercises in teams of maximum 3 people, and one solution per team (a PDF file) must be uploaded online by the due date. Late submissions are penalized. The teams of students can be formed freely, but the team must remain the same throughout the quarter.

Each problem set is worth 5 points and will be graded in the following scale: 5 points if at least 80% of the questions are correct, 2.5 if at least 50% of the questions are correct, and 0 points otherwise.

Online Quizzes: Every Friday there will be a short quiz during the class time. The quizzes comprise of two multiple choice questions and lasts at maximum 10 minutes. Students should be able to answer the quiz by just watching the respective video lecture of the week. There will be 9 quizzes which gives in total 18 questions worth 1 point each.

Final Exam: The final exam will cover all the contents of the course: the material presented in class, the problem sets, and the readings.

Make-up exam: Students who take the exam but fail the course will have the chance to take a make-up; in that case, the course grade will be based solely on the make-up exam (100%).

BIBLIOGRAPHY

Basic:

- Schmitt-Grohe, Stephanie [et al.]. International Macroeconomics. Princeton: Princeton University Press, 2022. ISBN 9780691170640.