International Macroeconomics

Module Code: ECO00028M    Credits: 10    Term: 2
Contact Hours: 9 two-hour lectures and 4 one-hour seminars (22 contact hrs)
Module Organiser: Dr M. Horvath

Aims and Objectives:

The module covers some of the key questions studied in contemporary open economy macroeconomics. It enables students to gain a good understanding of

- the main drivers of the business cycles in the international context
- the role of monetary and fiscal policy in guiding open economies through the process of adjustment following shocks
- the main underlying determinants of current account
- the main features of the functioning of international financial markets, capital flows and portfolio diversification
- the cost and benefits of different exchange rate regimes and the implication of this choice on the economy
- the common features of financial and currency crises.

On this basis, the students should be able to outline and classify the key questions theorists and practitioners in the area are currently grappling with, explain how the resolution of these issues could improve people’s well-being, critically appraise the possible solutions proposed in the literature, and gain a good understanding of the analytical techniques needed to construct an argument of their own.

Overall, upon completion of this module, the students should be able to

- critically examine recent developments in the study of international business cycle transmission
- distinguish between different approaches to analyzing business cycle fluctuations in open economies
- formulate coherent policy advice in matters relevant for open economies
- pursue their own research in the area of open economy macroeconomics.

Assessment:

There will be a two-hour unseen examination scheduled for the Summer Term.

Pre-requisites:

A sound understanding of advanced undergraduate macroeconomics and microeconomics is required. Moreover solid analytical and mathematical skills are required for a serious understanding of the material explained in class.
Main References:

There is no single text which covers all the topics adequately. Separate reading lists will be provided for each topic covered in the lectures.