

COURSE DESCRIPTION
INTERNATIONAL MACROECONOMICS

Academic Year 2019-2020

(Last updated date: 16/05/2019)

(Approved by the Department Council: 21/05/2019)

MODULE	COURSE	YEAR	SEMESTER	CREDITS	TYPE
Monetary Economics and Open Macroeconomics	International macroeconomics	4º	1º	6	Optional
LECTURER(S) ⁽¹⁾			FULL CONTACT INFORMATION FOR OFFICE HOURS (Address, phone number, email, etc.)		
Juliette Milgram Baleix			Department of Economic Theory and History, School of Economics and Business. Office number(s): B326, 3 rd floor Email: jmilgram@ugr.es https://prado.ugr.es/moodle/		
COORDINATOR OF THE COURSE: Juliette Milgram Baleix			Office hours: see http://tehieco.ugr.es/		
BACHELOR'S DEGREE			OTHER BACHELOR'S DEGREE IN WHICH IT CAN BE TAUGHT		
Bachelor's Degree in Economics					
PREREQUISITES AND/OR RECOMMENDATIONS (if necessary)					
Students are required to have successfully completed the units about Economics from the Underpinning Knowledge module. They are also expected to have foundational knowledge of microeconomics (consumer and producer behaviors in perfect and imperfect competition markets) and of macroeconomics (IS–LM Model in a closed economy).					
BRIEF DESCRIPTION OF CONTENTS (ACCORDING TO BACHELOR'S DEGREE'S VERIFICATION DOCUMENT)					
<ul style="list-style-type: none">• Theory of international trade in perfect and imperfect competition• Welfare impact of trade policy instruments, in perfect and imperfect competition• Determinants of exchange rates in the short run and the long run• Effectiveness of monetary and fiscal policies under different exchange regimes and types of capital mobility					

¹ Consulte posible actualización en Acceso Identificado > Aplicaciones > Ordenación Docente

([∞]) Esta guía docente debe ser cumplimentada siguiendo la "Normativa de Evaluación y de Calificación de los estudiantes de la Universidad de Granada"
(<http://secretariageneral.ugr.es/pages/normativa/fichasugr/ncg7121/>)



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GENERAL AND SPECIFIC COMPETENCES

GENERAL COMPETENCES

CG3 - Analysis and synthesis capacity

CG8 - Ability to solve problems

BASIC COMPETENCES

CB2 - That students know how to apply their knowledge to their work or vocation in a professional and possess the skills that are usually demonstrated through the elaboration and defense of arguments and problem solving within their area of study

CB3 - That students have the ability to gather and interpret relevant data (usually within their area of study) to make judgments that include a reflection on relevant social, scientific issues or ethics

TRANSVERSAL COMPETENCES:

CT1 - Through the knowledge and application of the concepts learned in the degree, to be able to identify and anticipate relevant economic problems in relation with the allocation of resources in general, both in the private and in the public frameworks

CT2 - Know, understand and apply the different economic models to provide rationality to the analysis and to the description of any aspect of reality and to know the criteria of economic choice of the different agents that make up society

CT3 - Learn to communicate fluently in an environment and to work in a team, both in a national and in international contexts

SPECIFIC COMPETENCES:

CE17 - Identify and anticipate relevant economic problems in relation with the allocation of resources in general, both in the private and in the public frameworks

CE20 - Understand and apply the basic concepts of Macroeconomics

CE21 - Use basic tools of a quantitative nature for the diagnosis and economic analysis

CE22 - Provide rationality to the analysis and description of any aspect of economic reality

CE24 - Understand economic institutions as a result and application of theoretical or formal representations about how the economy works

CE30 - Issue advisory reports on specific situations in the economy (international, national or regional) or in sectors

CE31 - Identify the sources of relevant economic information and their content

CE38 - Derive from the data relevant information that can not be recognized by non-professionals

CE59 - Contribute to the good management of the allocation of resources both in the private and public spheres

CE64 - Draft economic management projects at an international, national or regional level

CE69 - Understand the functioning of imperfectly competitive markets

CE73 - Know the main models of international economy

OBJECTIVES (EXPRESSED AS EXPECTED OUTCOMES OF THE LEARNING PROCESS)

To understand the functioning and transmission mechanisms of monetary policy from a theoretical and updated practical perspective.

To know the main theories of international trade in perfect and imperfect competition in open economies

To evaluate the consequences of different alternative exchange, fiscal and monetary policies in open economies



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DETAILED SYLLABUS OF THE COURSE

THEORETICAL SUBJECT:

- Topic 1 Introduction: objectives of international economics
- Topic 2 Balance of payments
- Topic 3 Theory of comparative advantage and its empirical verifications
- Topic 4 New theory of international trade and its empirical verification
- Topic 5 Trade policy instruments and their effects in terms of welfare
- Topic 6 Political economy of trade policies and trade integration
- Topic 7 Determinants of exchange rates
- Topic 8 Macroeconomic analysis in an open economy
- Topic 9 Effectiveness of macroeconomic policies in an open economy
- Topic 10 Choice of an exchange regime, monetary integration

PRACTICAL SUBJECT:

- Practice 1: Balance of payments and trade indicators
- Practice 2: Ricardo's model exercises
- Practice 3: Heckscher-Ohlin's model exercises, neotechnological and neofactorial theories,
- Practice 4: New theories, Trade policy instruments. Political economy of trade policies and monetary integration
- Practice 5: Effectiveness of economic policy with imperfect capital mobility
- Practice 6: Case study of a country

BIBLIOGRAPHY

MAIN TEXTBOOKS:

- Krugman P., Obstfeldt M., Melitz MJ (2016) International Economics 10th Edition Pearson Education.

OTHER RECOMMENDATION TEXTBOOKS:

- Feenstra R. and Taylor A.M. Essentials of international economics 2003.
- Feenstra R. and Taylor A.M. (2014) International Trade. Princeton: Princeton University Press.
- Pugel T. (2016): International Economics, 16th Edition, McGraw-Hill Series in Economics.

Articles, notes and worksheets delivered by the teachers

RECOMMENDED LINKS

<https://prado.ugr.es/moodle/> (Webpage of the subject)
<https://voxeu.org/>

TEACHING METHODOLOGY

- 1) Theoretical part: The teacher will develop the topics in class. She will also provide a detailed outline (available on the webpage of the subject).
- 2) Practical part: The teacher will propose a series of practices on issues related with the subject. The planning of the practice sessions will be facilitated to the students at the beginning of the course and the material will be available in the photocopier of the faculty and / or on the website of the subject.
- 3) Case study: it consists of conducting a study of the pattern of trade, trade and exchange rate policies and



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balance of payments for a country assigned by the teacher. Each student will perform a presentation of 10 minutes during the session that has been assigned to her.

The distribution of hours corresponding to this subject of 6 ECTS credits is as follows:

- Classroom teaching: 26 hours
- Practical activities and seminars: 19 hours
- Academic tutorials and evaluation tests: 15 hours
- Other activities out of the classroom: 90 hours.

ASSESSMENT (ASSESSMENT TOOLS, ASSESSMENT CRITERIA AND PERCENTAGE OF FINAL MARK, ETC.)

According to the Rules of assessment and grading of the students of the University of Granada (latest modification approved by the Governing Board on 26th October 2016), the assessment of students' academic performance will reflect public, objective and impartial criteria, and will preferably be continuous and ongoing.

Evaluation system:

The evaluation system preferably consists in an ongoing evaluation.

All students (even those who have opted for the ongoing assessment system) can take the final exam.

The grade will be the maximum between the final exam grade (FE) and the continuous assessment grade (CE).

Final evaluation system:

Dates: To be specified

Application for coincidence of exams: In case of coincidence of the date with another exam, students have to request a change of date at the secretariat. The deadlines to apply can be found in the "students" section of the website of the Faculty of Economic and Business Sciences (<http://fccee.ugr.es>)

Final exam:

- Type: The exam consists of 20 multiple-choice questions and 2 questions to be answered with graphs. Three incorrect answers subtract one correct answer, except in the case of questions with graphics that do not subtract if they are incorrect. The blank answers neither add nor subtract points.
- Content: The exam covers both the theoretical part and the practical part of the subject.

Ongoing evaluation system:

The continuous assessment system is based on: a partial exam, realization of practice exercises and the realization and presentation of a case study. In addition, attendance at the case studies presentations (weeks 13-16) is taken into account.

The continuous evaluation (CE) mark will be obtained as follows:

CE = partial exam (40%) + completion and presentation of a case study * attendance to presentation sessions (40%) + practice exercises (20%).

Partial exam

- It is necessary to obtain at least 4 in the partial exam to pass the continuous evaluation.
- The exam is similar and embraces the same syllabus as the final exam (see instructions for the final exam).

Case study



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- The realization of the work consists in conducting a study of the pattern of trade, trade and exchange policy and equilibrium of the balance of payments for a country assigned by the teacher.
- The teacher will provide the data and the precise outline to follow and will assign each student a country and a presentation date (Weeks 13-16).
- The student will deliver her presentation (powerpoint or pdf) on paper and will perform a presentation of 10 minutes of her work in the session that has been assigned.

Attendance to presentation sessions

- If the student chooses the continuous assessment system, attendance at three of the six case study presentations sessions is mandatory.
- Students should consult the assignment of the day of presentation and of the mandatory sessions they have been assigned.
- Attendance to presentation sessions will be graded according to the percentage of attended sessions (if you attend 3 sessions: 100%, if you attend 2 66%: if you attend 1: 33%.)

Practices:

Assessment is based on the marks obtained in the quiz carried out in class on the exercises and texts proposed by the teacher during practice sessions.

Article 8 of the current Rules for Assessment provides for the taking of a single final assessment, which students may apply for in the first two weeks of teaching of the subject (or two weeks following change of matriculation). Application is to be made through the electronic system, citing and accrediting the reasons for not being able to undergo the system of continuous assessment (reasons of employment, health, disability or any other correctly justified cause), with the understanding that this assessment is undertaken in a single academic act in order to accredit that the student has acquired in full the competencies described.

DESCRIPTION OF THE SINGLE FINAL ASSESSMENT ACCORDING TO "RULES FOR ASSESSMENT OF THE UNIVERSITY OF GRANADA"

The single final assessment is obtained as 100% of the grade obtained in the final exam described in the previous section.

ADDITIONAL INFORMATION

All the details about the realization and presentation of the practices and case studies will be available on the webpage of the subject.

ACTIVITY PROGRAM:

Planning is indicative and subject to change. The changes will be announced through the web page of the subject.

Week 1

Topic 1 Introduction: object of the international economy

Week 2

Topic 2 Balance of payments

Practice 1: Balance of payments and trade indicators

Week 3

Topic 3 Theory of comparative advantage and its empirical verifications



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Week 4
 Topic 3 Theory of comparative advantage and its empirical verifications
 Practice 2: Ricardo's model exercises
 Week 5
 Topic 3 Theory of comparative advantage and its empirical verifications
 Practice 3: Heckscher-Ohlin's model
 Week 6
 Topic 4 New theory of international trade and its empirical verification
 Practice 3: Heckscher-Ohlin's model
 Week 7
 Topic 5 Trade policy instruments and their effects in terms of welfare
 Practice 4: New theories, Trade policy instruments. Political economy of trade policies and monetary integration
 Week 8
 Topic 7 Determinants of exchange rates
 Topic 8 Macroeconomic analysis in an open economy
 Week 9
 Topic 9 Effectiveness of macroeconomic policies in an open economy
 Week 10:
 Topic 10 Choice of an exchange regime, monetary integration
 Practice 5: Effectiveness of economic policy with imperfect capital mobility
 Week 11: Partial exam
 Weeks 12-15: Work presentations

The Department of Economic Theory and History, in accordance with the Regulations for the attention to students with disabilities and other specific educational support needs (approved by the Governing Board of the University of Granada on 20th September 2016) will promote the right to education under conditions of equal opportunities to students with disabilities and other specific educational support needs. The necessary assistance actions will be established to achieve their full and effective inclusion, guaranteeing their right to inclusive education, in accordance with the principles of non-discrimination, equal opportunities and universal accessibility, so that they can achieve the maximum possible development of their personal and , in any case, the objectives established in general for all students.

Likewise, according to article 11 current Rules for Assessment of students at the University of Granada, the evaluation systems will be adapted to students with disabilities or other specific needs of educational support, guaranteeing in any case their rights and favouring their inclusion in university studies.



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