

Course Code:	15012048	Course Name	International Finance
<b>General Information</b>	<p> <b>Lecturer:</b> 肖筱林(sylvia_xiao@shu.edu.cn,oceanofsylvia.xiao@gmail.com)  <b>Students:</b> 08 金融  <b>Credit points:</b> 4  <b>Total Hours:</b> 40 hrs  <b>Mode of Presentation:</b> Lectures and Tutorials  <b>Class Times:</b>  <b>Course Classification:</b> Required Course  <b>Prerequisite:</b> Macroeconomics, microeconomics  <b>Course Text:</b> International Economics: Theory and Policy, 7<sup>th</sup> Edition, Krugman, P.R., Tsinghua University Press  <b>Reference book:</b> Economics of Money, Banking and Financial Markets by Frederic S. Mishkin.  <b>Examination method:</b> 2hr written final exam         </p>		
<b>Course Objectives</b>	<p>           After completing International Finance you should be able to:         </p> <ol style="list-style-type: none"> <li>(1) Interpret basic international finance terms and definitions, such as national income accounting, balance of payment, exchange rates, fixed and floating exchange rates, etc.,</li> <li>(2) Obtain a basic understanding of the operations of foreign exchange markets, how the exchange rates are determined, Price level and the exchange rates in the long run, Output and the exchange rates in the short run, the international monetary system, international financial market, etc.,</li> <li>(3) Examine the process of analyzing two important factors of international finance: balance of payment accounts and exchange rate, and consider how they are applied in real life.</li> </ol>		
<b>Course Assessment</b>	<p> <b>Grading Policy:</b> </p> <p>           Class attendance: 10%         </p> <p>           Homework and Quizzes:10%         </p> <p>           Performance in class: 10 %         </p> <p>           Final Exam: 70%         </p>		

<b>Course Syllabus &amp; Outline</b>	<b>Chapter 12: National income accounting and balance of payment</b>	<b>6hours</b>
	1. National income accounting, 2. balance of payment account	
	<b>Chapter 13: Exchange rates and foreign exchange markets</b>	<b>6hours</b>
	1. exchange rates and international transactions 2. the foreign exchange markets 3. the demand for foreign currency assets 4. equilibrium in the foreign exchange markets	
	<b>Chapter 14: money, interest rates, and exchange rates</b>	<b>6hours</b>
	1. money defined: a brief review 2. the demand for foreign currency assets 3. equilibrium in the foreign exchange markets 4. interest rates, expectations, and equilibrium	
	<b>Chapter 15: Price levels and the exchange rate in the long run</b>	<b>6hours</b>
	1. the law of one price 2. purchasing power parity 3. a long run exchange rates model based on PPP	
	<b>Chapter 16: Output and the exchange rates in the short run</b>	<b>5hours</b>
	1. determinants of aggregate demand in an open economy 2. how output is determined in the short run, the DD schedule 3. asset market equilibrium in the short run: the AA schedule 4. putting the DD schedule and the AA schedule together	
<b>Chapter 18: The international monetary system</b>	<b>5hours</b>	
1. The gold standard 2. the Bretton Woods system and the international monetary fund 3. analyzing policy options under Bretton Woods system		
<b>Chapter 19: Macroeconomic policy and coordination under floating exchange rates</b>	<b>6hours</b>	
1. the cases for and against floating exchange rates 2. are fixed exchange rates even an option for most countries 3. directions for reform		

Supplementary Practices	Discussion, case study and foreign exchange dealing game (if possible)
Explanation	During the courses, some of the content will be arranged flexibly according to the understanding and learning ability of the students
Outline composer	Department (Teaching & Resource Section)  Signature: <u>肖筱林</u>
Department Evaluation	Signature: _____
SILC Evaluation	