

Econ 5510/6510
Spring 2017
M W: 1:25 – 2:45

Dr. Erturk
Office: Bldg 73, Rm 240
Office Hr: Th 1-2pm

ECON 5510/6510: International Monetary Relations

The objective of the course is to give an in-depth understanding of the international monetary system, its past and present. The class starts out with an overview of some basic concepts and balance of payments accounting and moves onto a discussion of foreign exchange markets and open economy macro theory. The second half of the course looks at the history of financial systems from the gold standard era to the present and ends with an extended discussion of the Euro and 2008 Financial Crisis and the fault lines they have laid bare in the international monetary and financial system. The class ends with a review of current policy and reform proposals.

Course Evaluation is based on:

3 midterms (60%)
final exam (30%)
Term Paper or Project (10%)

Books:

Van den Berg, H. (2010). *International Finance and Open-Economy Macroeconomics*.
Temin, P. & D. Vines (2013). *The Leaderless Economy*
Wolf, M. (2014). *The Shifts and the Shocks*

Course Outline:

- I. Introduction
 - International Financial System
 - Balance of Payments
 - Van den Berg (2010) – Chps 1,2
- II. Foreign Exchange Market
 - Overview

Interest Parity Condition
Volatility and Micro Structure

Van den Berg (2010) – Chps 3 - 6

III. Open Economy Macroeconomics

Mundell-Fleming Model

Van den Berg (2010) – Chps 7 - 9

IV. History of International Financial Systems

Gold Standard Era
Interwar Instability
Bretton Woods Era

Van den Berg (2010) – Chps 10 - 14

V. Post Bretton Woods

Globalization of Production and Finance
European Union
2008 Financial Crisis
Euro Crisis

Van der Berg (2010) – Chps 14 – 18

Wolf (2014) – Chps 4,5,8

Temin & Vives (2013) – Chps 4,5