



Year : 2018/19

61344 - Economics Exchange Rates and Monetary Integration

Syllabus Information

Academic Year:	2018/19
Subject:	61344 - Economics Exchange Rates and Monetary Integration
Faculty / School:	109 -
Degree:	525 - Master's in Economics
ECTS:	3.0
Year:	1
Semester:	Second semester
Subject Type:	Optional
Module:	---

General information

Aims of the course

Context and importance of this course in the degree

Recommendations to take this course

Learning goals

Competences

Learning goals

Importance of learning goals

Assessment (1st and 2nd call)

Assessment tasks (description of tasks, marking system and assessment criteria)

Methodology, learning tasks, syllabus and resources

Methodological overview

The methodology and organization of the learning process of the subject are based on theoretical and practical classes given by the professor, on the analysis, comment and class discussion of books, articles and case studies related to each chapter of the syllabus, on individual and group tasks for presenting and discussing in class and on the personal tutelage of the students. In some classes, materials will be provided directly by the professor but in other the students will have to search for the material in the library or websites.

Learning tasks

The activities to achieve the designed results are:

In the first session: presentation of the subject, objectives and of the readings that student must do to widen and give foundations to the knowledge. Personal tutelage for the students.

In the rest of the sessions: lecture, orientation of the readings that the students have to do to widen and give foundations to their knowledge and individuals and group tasks to present and debate in class. Individual and group tutorials.

Syllabus

The course will address the following topics:

Section I. Institutions

- - The monetary and financial relations
- - Foreign exchange markets and exchange rates
- - Exchange rate regimes and exchange rate policy
- - Evolution of the international monetary system
- - The role of major currencies
- - Peripheral currency and financial crises
- - The European Monetary Union
- - Debt crisis in the euro countries

Section II. The theory

- - Efficiency in the market exchange rate
- - Determination of the exchange rate: Theory and Evidence
- - The exchange rate models of new open macroeconomics
- - Models of currency crises and speculative attacks

Section III. The empirical world

- - Unit root and real exchange rate
- - PPP and PDI. Cointegration techniques

- - Applications to panel data
- - Measures of persistence
- - Fractional Integration
- - Structural Change
- - Nonlinear models: TAR, STAR and MS

Course planning and calendar

The dates of the lectures, practical session, the presentation of tasks and other activities will be communicated by the professor at the beginning of the course.

Lectures

Theory

15 h.

Practical

15 h.

Homework

Student work including tutorials

45 h.

LIST OF SESSIONS (10 SESSIONS OF 3 HOURS):

1st Session. Presentation of the subject. Definition of objectives, materials, activities and assessment system.

2nd Session. Lecture and practical sessions: monetary relationships, currency markets and exchange rates.

3rd Session. Lecture and practical sessions: Exchange rate regimes, exchange rate policy, international monetary system and financial crisis.

4th Session. Lecture and practical sessions: optimal currency areas, European monetary union and the euro crisis.

5th Session. Lecture and practical sessions: determination of the exchange rate theory

6th Session. Lecture and practical sessions: Models of new open macro economy, exchange rate crises and speculative attacks.

7th Session. Lecture and practical sessions: unit root tests and real exchange rate.

8th Session. Lecture and practical sessions: PPP and UIP: cointegration techniques.

9th Session. Lecture and practical sessions: applications of panel data.

10th Session. Lecture and practical sessions: non-linear models.

Bibliography and recommended resources