1. **Title of the module**

ECON5480 (EC548) International Finance

1. **School or partner institution which will be responsible for management of the module**

School of Economics

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 6

1. **The number of credits and the ECTS value which the module represents**

15 credits (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Autumn or Spring

1. **Prerequisite and co-requisite modules**

Prerequisites:

ECON5000 Microeconomics

ECON5020 Macroeconomics

1. **The programmes of study to which the module contributes**

This is an elective module for all Single and Joint Honours Degree Programmes in Economics.

The module is **NOT** available to students across other degree programmes in the University

1. **The intended subject specific learning outcomes.  
   On successfully completing the module students will be able to:**
   1. Demonstrate knowledge and understanding of basic theoretical concepts such as exchange rates, interest rates and capital movements in an international setting
   2. Synthesise and critically compare different economic analyses of issues relating to international finance and policy formation
   3. Critically assess and examine the main debates on international money and finance problems arising in the media newspapers and specialised magazines
   4. Understand the implications of capital flows for the international transmission of economic shocks
   5. Identify, analyse and understand macroeconomic policy coordination within a global context.
2. **The intended generic learning outcomes.  
   On successfully completing the module students will be able to:**
   1. Reflect critically on the application of economic models to real-world problems
   2. Critically review a body of literature for arguments or evidence pertaining to an economic question, and draw conclusions from it
   3. Retrieve, review and utilise information from a variety of sources
   4. Communicate coherent economic arguments verbally and in writing
   5. Plan work and study independently
3. **A synopsis of the curriculum**

The module introduces students to the theoretical underpinnings that constitute international finance and the nature and extent of monetary and financial relations between countries.

The module introduces basic concepts of international macroeconomics such as the balance of payments and exchange rates, and arbitrage conditions. It then proceeds to analyse the impact of opening up the economy on the alternative macroeconomic policies available. The main factors that determine exchange rates between currencies, and the power of different models are also considered. Finally, the module explores ‘hot topics’ in international finance including the benefits and drawbacks of fixed and floating exchange rates, the concept of a speculative attack, current account imbalances from an inter-temporal perspective, and how world macroeconomic imbalances drove the 2008/09 international financial crisis and recent sovereign debt crisis in Europe.

The module has both a theoretical and an applied emphasis in order to apply available theories into the real problems of the world economy. It does not analyse the detailed workings of international financial markets or questions related to firm financial management in international capital markets but students interested in these aspects can acquire basic foundations that are fundamental in understanding the context in which firms and governments work.

The topics covered in the module include:

1. Open economy macroeconomics and policy.
2. Exchange rates determination theory and empirics.
3. Microfounded models of the current account.
4. International financial flows.
5. International indebtedness.
6. International financial crises
7. International monetary arrangements.
8. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

* Copeland, L. (2008), Exchange Rates and International Finance (5th ed.), Prentice Hall.
* Pilbeam, K. (2013), International Finance (4th ed., Palgrave Macmillan.
* Feenstra, R.C. and A.M. Taylor (2008), International Economics, Worth Publishers.
* Sarno, L. and Taylor, M (2002). The Economics of Exchange Rates, CUP.

1. **Learning and teaching methods**

Total contact hours: 17 hours

Private study hours: 133

Total study hours: 150

1. **Assessment methods**
   1. Main assessment methods

In Course Test, (45 minutes) (20%)

Examination, 2 hours (80%)

13.2 Reassessment methods

Reassessment Instrument: 100% exam

1. ***Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)***

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** | *8.1* | *8.2* | *8.3* | *8.4* | *8.5* | *9.1* | *9.2* | *9.3* | *9.4* | *9.5* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |  |  |
| *Lecture* | **x** | **x** | **x** | **x** | **x** | **x** |  | **x** |  |  |
| *Seminar* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| **Assessment method** |  |  |  |  |  |  |  |  |  |  |
| *In Course Test* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |
| *Examination* | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** | **x** |

1. **Inclusive module design**

The School recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

Canterbury

1. **Internationalisation**

The module has a global focus and exposes students to macroeconomic concepts and analyses from an international perspective.

**FACULTIES SUPPORT OFFICE USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

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| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
|  |  |  |  |  |

Revised FSO Jan 2018