

TECHNICAL DETAILS

Course details	
Name	International Macroeconomics
Code	
Degree	Degree in Business Administration (E-2 (Bilingual) and E-3)
Year	3rd year
Term	1st term E-2 (Bilingual). 2nd term E-3.
Credits ECTS	6
Type	Compulsory
Department	Economics
Area	Economic Theory
Coordinator	Dr. Alberto Colino Fernández
Description	National Accounts and the Balance of Payments. Exchange rate regimes. International trade models: comparative advantage and Heckscher-Ohlin. Open economy macroeconomic models: goods and services market, financial assets and foreign sector and their determinants. Fiscal and Monetary policies and their influence on macroeconomic variables.

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SPECIFIC DATA OF THE COURSE

Course Context
Course Description
<p>This course is part of the subjects taught in the 1st, 2nd and 3rd years of the degree on Business Administration: Introduction to Economics, Microeconomics, Macroeconomics and International Macroeconomics, forming a group under the denomination of Economic Fundamentals. Therefore, economic reality can be explained making use of this inseparable group of subjects.</p> <p>The role of International Macroeconomics, within this group, is essential since in this subject the economic models taught in Macroeconomics are completed with the foreign sector. Accordingly, the student will be able to analyse how the economic events in a country affect the rest of the economies.</p> <p>This subject sets the fundaments which will allow the students to better understand the different events occurred in Spain, the rest of the world and their interactions.</p> <p>This knowledge, theoretical and empirical, will enable the students to access key aspects in order to optimize entrepreneurial decisions, which will be essential for their future professional activity.</p>
Required tools
<p>Besides an introductory course in economics, some knowledge in microeconomics and statistics is presumed. Moreover, a Macroeconomics course background is required. Analytical tools that will be used include especially calculus.</p>

TOPICS

Contents – Topics
1. INTRODUCTION
<i>Chapter 1: National Accounts and the Balance of Payments.</i>
1.1. National Income Accounts in an open economy. 1.2. The Balance of Payments. 1.3. Economic balances of the Balance of Payments.
<i>Chapter 2: Currency market and the exchange rate.</i>
2.1. Currency market: - Demand. - Supply. 2.2. Exchange rate regimes. 2.3. Fixed exchange rate versus flexible exchange rate.
2. INTERNATIONAL TRADE THEORY
<i>Chapter 3: International Trade Models.</i>
3.1. Absolute advantage. 3.2. Comparative advantage. 3.3. Resources and trade: the Heckscher-Ohlin model. 3.4. The Standard trade model.
3. OPEN ECONOMY FUNCTIONING
<i>Chapter 4: Openness in Goods and Services Market.</i>
4.1. Goods and Services market equilibrium in an open economy. 4.2. The IS curve in an open economy: determination, slope and shifts. 4.3. Fiscal policy and the foreign sector. 4.4. Production and the current account: the Marshall-Lerner condition.
<i>Chapter 5: Openness in Money and Financial Assets Market.</i>
5.1. Money Market equilibrium. 5.2. The LM curve in an open economy: determination, slope and shifts. 5.3. Monetary policy and the foreign sector. 5.4. Joint analysis of goods and financial markets.
<i>Chapter 6: The Mundell-Fleming model under a fixed exchange rate regime.</i>
6.1. Economic policy in an open economy with perfect capital mobility. 6.2. Economic policy in an open economy with imperfect capital mobility.
<i>Chapter 7: The Mundell-Fleming model under a flexible exchange rate regime.</i>
7.1. Economic policy in an open economy with perfect capital mobility. 7.2. Economic policy in an open economy with imperfect capital mobility.

Competences - Objectives

Generic Competences

Instrumental

CG16 Written and spoken communication in the language.

- RA1 Expresses appropriately, with accuracy and grammatical and orthographical correction in written form.
- RA2 Is able to verbally express with fluency and clarity.

CG14 Ability to manage information from different sources.

- RA1 Knows, summarizes and uses appropriately different bibliographical and documental resources, managing both traditional and electronic libraries.
- RA2 Knows and uses Internet to search and manage information, documents and data.
- RA3 Uses basic computer programs.

Interpersonal

CPG10 Ability for leadership and teamwork.

- RA1 Is able to be part of a work group and participate efficiently.
- RA2 Is able to listen to others opinions and communicate her own.

CGP11 Ability for criticism and self-criticism.

- RA1 Identifies and defines the real problems in a logic and coherent way within an adequate analytical framework.
- RA2 Identifies the assumptions and limitations of the research methodologies.
- RA3 Thinks independently and critically regarding different problems.

Systemic

CGS14 Ability to learn and work autonomously.

- RA1 Reads, understands and summarizes critically the bibliography of reference.
- RA2 Has the necessary skills for independent research.

Specific Competences of the area-subject

CE6 Ability to analyze the international facts from an economic standpoint through the implementation of different economic policies

- RA1 Understands the basic theory of an open economy macroeconomic model.
- RA2 Understands the international trade theories.
- RA3 Knows the main economic models that explain international monetary and financial flows.

COURSE STRUCTURE

General Methodological Aspects

In-Person Methodology: Activities

In-person sessions will consist of:

- Exposition of the main concepts in a clear and structured way.
- Exercises and problems solving.
- Debates.

Out of the Class Methodology: Activities

Individual work to be done by students will consist of:

- The study and use of explained concepts.
- Search and compilation of information sources to solve exercises and problems.
- Dig deeper in issues to be debated with classmates.

COURSE ASSESSMENT

Assessment Activities: Rules and Weighting

Assessment rules	Weighting
<p>The assessment of the course will consist of a written exam at the end of the course both in the ordinary and extraordinary calls and the result of the continuous assessment mark. Thus,</p> <p>1. - Ordinary call assessment.</p> <p>➤ Final exam. At the end of the course, there will be a final exam. The aim of this final examination is to assess the degree of knowledge attained by the student. It will be compulsory to use economic intuition, mathematics and graphical representation to answer the questions.</p> <p>The final exam will consist of two parts: the first part will consist of a set of brief or multiple choice questions with a weight of 40% of the exam mark and the second part will consist of problems with a weight of 60%.</p> <p>It is required to obtain at least 5 out of 10 points in the final exam to pass the course.</p>	60%
<p>➤ Knowledge tests. Throughout the course, the students are required to perform several applied activities regarding the different issues covered during the course.</p>	30%

<p>➤ Individual assignments. Throughout the course, the students are required to perform several individual assignments. The individual assignments must be handed out on time. There is a zero tolerance policy with late submissions.</p> <p style="text-align: right;">TOTAL</p> <p>The students that retake the subject must do the same final exam as the rest of students, but in this case the mark of the final exam has a value of 100% of the final mark, unless the student decided to be subject to continuous assessment. If this is the case, the student must inform the lecturer within the first month of the course.</p> <p>2. - Extraordinary call assessment.</p> <p>Those students that have to take the extraordinary call will face an exam covering the whole subject with a weight of 100% of the final mark unless the continuous evaluation mark would help the student positively. In this case, the final exam would weight 80% of the final mark.</p>	<p>10%</p> <p>100%</p> <p>Exam 100%</p> <p>or</p> <p>80% Exam+20% Cont. Assess.</p>
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COURSE READING LIST

Basic Reading
Textbooks
<p>Dornbusch, R., Fischer, S. and Startz, R. (2013). Macroeconomics. 12th edition. McGraw Hill Education. (*)</p>
Complementary Reading
Textbooks
<p>Blanchard, O., Amighini, A. & Giavazzi, F. (2011). Macroeconomics: A European perspective.</p> <p>Mankiw, N.G. (2013). Macroeconomics. 8th edition.</p> <p>Krugman, P. & Wells, R. (2012). Macroeconomics. 3rd edition.</p> <p>Branson, W.H. (1989). Macroeconomic Theory and Policy. 3rd edition.</p> <p>Hall, R. E. & Taylor, J. B. (1997). Macroeconomics: Theory, Performance and Policy.</p> <p>Froyen, R. T. (2012). Macroeconomics: Theories and Policies. 10th edition.</p> <p>Burda, M. & Wyplosz, C. (2012). Macroeconomics. A European text. 6th edition.</p>
Reports
<p>Reports regarding international economy (Competitiveness Report of the World Economic Forum, World Economic Outlook of the IMF, Education at a glance of OECD, World Trade Report of the ITO).</p> <ul style="list-style-type: none"> • Last "World Economic Outlook" of the International Monetary Fund. • Last "World Development Report" of the World Bank. • Last "OECD Factbook" of the Organisation for Economic Co-operation and Development.

Webpages

(*) Use of the resources available in the web associated to the basic bibliographic reference.

Bank of Spain	www.bde.es
European Central Bank	www.ecb.int
World Bank	http://www.worldbank.org/
United Nations Conference on Trade and Development	http://www.unctad.org/
EUROSTAT (EU Statistics)	http://epp.eurostat.ec.europa.eu/
International Monetary Fund	http://www.imf.org/
Instituto Nacional de Estadística (INE)	www.ine.es
Ministerio de Economía y Competitividad	http://www.mineco.es
Ministerio de Industria, Energía y Turismo	http://www.minetur.gob.es/
United Nations	http://www.un.org/
OECD	http://www.oecd.org/spain/
International Labour Organisation	http://www.ilo.org/
International Trade Organisation	http://www.wto.org/
European Union	www.europa.eu.int