

Macroeconomics-II

Module 6, 2017-2018

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Course description

The core of this course is macroeconomic evidence on international economics. The course does not require advanced calculus yet requires good understanding of econometrics.

Course requirements, grading, and attendance policies

Macroeconomics-I, Econometrics-I and II.

The course grade is based on home assignments (39%), case discussions (20%) and final exam (41%).

Course contents

Week	Date	Topic	Reading
1		Foreign exchange market, PPP and UIP. 1. FX markets. Rate of return 2. PPP and UIP	[1], [2]
2		Carry trade 1. UIP puzzle 2. Carry trade and other strategies	[2], [3]
3		Expectations 1. Potential output and NAIRU 2. Inflation expectations 3. Exchange rate predictions	[3]
4		Trade imbalances 1. Trade and capital flows 2. Eurozone, US and China	[4]
5		Central Bank and the markets 1. CB impact on the markets 2. Commodity currencies	[5]
6		Export channel. Pass-through 1. Export channel of international trade 2. Pass-through effects	[5]
7		Secular stagnation 1. Growth reduction 2. Wages and productivity 3. Policy implications	[6]

Course materials

1. "International Finance: Theory and Policy", Chapter 4
2. "International Finance: Theory and Policy", Chapter 5
3. "International Finance: Theory and Policy", Chapter 6

4. Case "US current account deficit"
5. "International Finance: Theory and Policy", Chapter 3
6. Case "The globalization of the renminbi"

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.