

# INTERNATIONAL FINANCE

## SYLLABUS

SPRING 2025

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### Instructor Information

**Instructor:** Chelsea C. Lin  
**Office:** Humanities Bldg. I, D411  
**Office Hours:** Wed. 5-7 pm  
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### Course Description

This course develops of a base for the financial transactions and refers to the monetary side of the international economy. The main goal of this course is to provide students with a basic knowledge of how international financial markets work, an understanding of the monetary policy and the exchange rate determination in the short run and long run, the causes and the consequences of the different financial crisis, and the macroeconomics policies available to the government.

### Textbook

International Economics: Theory and Policy, 12th edition, by Paul R. Krugman, Maurice Obstfeld, and Marc J. Melitz, Addison Wesley, Pearson International Edition.

### Course Websites

The course website is at Dong Hwa e-learning <http://www.elearn.ndhu.edu.tw/moodle/>. The website will contain this syllabus (and any updates), announcements, homework, answer keys and handouts. You are required to download the class materials by yourself or purchase the copies from the copy center in the Humanities Building. Make sure you have the latest materials with you before you attend the class.

## Grading Policy

The final grade will be based on the following weights: class attendance (5%), homework (5%), class presentation (20%), the midterm-scheduled on April 02 (25%), the second midterm- scheduled on May 07 (25%) and the final exam- scheduled on June 11 (20%).

## Teaching Assistant

**TA:** Ting-Jui Chen

**Email:** [411042005@gms.ndhu.edu.tw](mailto:411042005@gms.ndhu.edu.tw)

## Important Notes

**No Cheating:** Cheaters will automatically fail this course. Talking during exams and/or leaving the exam room without permission are also considered cheating. Mobile phones are strictly prohibited during the exam.

**No Make-up Exams:** Missing exams will be severely frowned upon - you will need a substantial, truly dramatic reason, such as a severe injury or the death of an immediate family member. Official documents will have to be provided. There will be NO MAKE-UP EXAMS. Once the permission is granted, the weight on your missing exam will be attributed to the other two exams.

**Late Work Policy:** Be sure to pay close attention to deadlines. The teaching assistant reserves the right to accept the late problem set with a discounted grade or reject it. No problem sets will be accepted after the answer keys are posted on the website.

## Course Outline and Tentative Schedule

**Week 01 (02.19):** Lecture 0: Overview

**Week 02 (02.26):** Lecture 1: National Income Accounting and the Balance of Payment (Ch.13)

**Week 03 (03.05):** Lecture 1: National Income Accounting and the Balance of Payment (Ch.13)

- Case study Ch.13: The Assets and Liabilities of the World's Biggest Debtor

**Week 04 (03.12):** Lecture 2: Exchange Rates and the Foreign Exchange Market (Ch.14)

- Case Study Ch.14: What Explains the Carry Trade?

**Week 05 (03.19):** Lecture 3: Money, Interest Rates, and Exchange Rates (Ch.15)

- Case Study Ch.15-1: Can Higher Inflation Lead to Currency Appreciation? The Implications of Inflation Targeting
- Case Study Ch.15-2: Inflation Targeting and Exchange Rate in Emerging Countries

**Week 06 (03.26):** Lecture 3: Money, Interest Rates, and Exchange Rates (Ch.15)

- Case Study Ch.15-1: Can Higher Inflation Lead to Currency Appreciation? The Implications of Inflation Targeting
- Case Study Ch.15-2: Inflation Targeting and Exchange Rate in Emerging Countries

**Week 07 (04.02):** The First Midterm Exam

**Week 08 (04.09):** Lecture 4: Price Levels and the Exchange Rate in the Long Run (Ch.16)

- Case Study Ch.16: The Dangers of Deflation

**Week 09 (04.16):** Lecture 5: Output and the Exchange Rate in the Short Run (Ch.17)

**Week 10 (04.23):** Lecture 6: Fixed Exchange Rates and Foreign Exchange Intervention (Ch.18)

- Case Study Ch.18-1: Can Markets Attack a *Strong* Currency? The Case of Switzerland

**Week 11 (04.30):** Lecture 6: Fixed Exchange Rates and Foreign Exchange Intervention (Ch.18)

- Case Study Ch.18-2: The Cost to Become an International Currency: The Renminbi Case
- Case Study Ch.18-3: The Demand for International Reserves

**Week 12 (05.07):** The Second Midterm Exam

**Week 13 (05.14):** Lecture 7: The International Monetary Systems (Ch.19)

**Week 14 (05.21):** Lecture 7: The International Monetary Systems (Ch.19)

- Case Study Ch.19-1: The First Years of Floating Rates, 1973-1990

- Case Study Ch.19-2: The Political Economy of Exchange Rate Regimes: Conflict over America's Monetary Standard during the 1890s
- Case Study Ch.19-3: The International Gold Standard and the Great Depression
- Case Study Ch.19-4: The End of Bretton Woods, Worldwide Inflation, and the Transition to Floating Rates
- Case Study Ch.19-5: Transformation and Crisis in the World Economy

**Week 15 (05.28):** Lecture 8: Financial Globalization: Opportunity and Crisis (Ch20)

- Video: Breaking the Bank
- Case Study Ch.20: The Global Financial Crisis of 2007-2009

**Week 16 (06.04):** Lecture 9: Developing Countries: Growth, Crisis, and Reform (Ch.22) (optional)

- Video: Commending Heights: The New Rules of the Game

**Week 17 (06.11):** The Final Exam

**Week 18 (06.18):** Video: Inside the Meltdown