

Objective

This is a course designed for graduate students who are interested in open-economy macroeconomics. There are many topics in this field. They include exchange rate behavior, international monetary policies, exchange rate regimes, and the international financial crisis etc. Theories and empirical findings will be discussed. Students will have a basic understanding of this field and may be motivated to further explore these issues in their future research.

Textbooks and References

Handbook of International Economics: International Macroeconomics, Volume 6
Edited by Gita Gopinath, Elhanan Helpman, and Kenneth Rogoff.

International Economics-Theory and Policy, 12ed, Paul Krugman, Maurice Obstfeld and Marc J. Melitz, Pearson Education, global edition.

Foundations of International Macroeconomics, Maurice Obstfeld and Kenneth Rogoff, the MIT Press.

The Economics of Exchange Rates, Lucio Sarno and Mark P. Taylor, Cambridge University Press.

Other papers and materials will be announced later during the class.

Class Requirements and Grading Policy

General Performance: 50%. This includes paper presentations, class participation, homework assignments, final project etc.

Midterm Exam: 20%

Final Exam: 30%

Class Meeting Time and Place

Monday 4:10 P.M. to 5:40 P.M. and Friday 12:50 to 1:50 P.M.

Classroom: Room D220, Humanities and Social Sciences Building I

Office Hours

Thursday 2-4 P.M. Room D409, Humanities and Social Sciences Building I

Contact

Email : yw9m@gms.ndhu.edu.tw

Office phone: 03-8905543

Topics:

This is just the tentative schedule. I reserve the rights to add or drop some of the materials.

- **Foreign exchange markets**
- Current accounts and balance of payments
- The role of central banks, money, interest rates and exchange rates
- **Exchange rate determination, Exchange rate dynamics** (e.g., uncovered interest rate parity, portfolio balance models)

An Asset Approach: Uncovered Interest Parity

Purchasing Power Parity

- **Monetary model of exchange rate (Open economy macroeconomic models)**
- **International monetary policy (Monetary policy rules in open economies)**
- **Intertemporal trade and current account balances (Intertemporal optimization in open economies)**
- **Sovereign debt and default (Financial frictions and global spillovers)**
- **International Financial Crisis**
- **DSGE models** with international trade and capital flows
- **Exchange Rate Systems**