

# International Finance

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| <b>Course Code:</b>     | <b><i>ECON170010</i></b>             |
| <b>Course Title:</b>    | <b><i>International Finance</i></b>  |
| <b>Credit:</b>          | <b><i>2</i></b>                      |
| <b>Instructor Name:</b> | <b><i>Haichun Ye</i></b>             |
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## Course Description

This is an international finance course. Prerequisites of this course include principle-level microeconomics and macroeconomics. Also, college level algebra and simple calculus will be intensively used during the lectures. The course is designed to give students a solid understanding of modern international finance theories. Issues covered in this course include foreign exchange rates, international monetary systems, balance of payments, macroeconomic policy in the open economy and China's foreign exchange rate policies and balance of payments issues.

## Required Text

International Money and Finance, 7th Edition, by Michael Melvin.

## Grading

There will be three homework assignments and one final exam. Exam date will be announced in class. Your final grade shall be calculated as follows:

|                     |                |
|---------------------|----------------|
| Assignments         | 45% (15% each) |
| Class Participation | 10%            |
| Final Exam          | 45%            |

My grading system is transparent. Your grade will be assigned completely based on your actual performance. You are welcome to ask about your grade standing at any time. Unless your grade is miscalculated, please do not ask me to change your grade after an exam. I would refuse to do so for any other reason. I can only help you to improve your grades before you take the exam.

## Homework Assignments

The homework assignments are important to help you understand the materials. If there is a homework assignment due, I expect you to get it to me the day it is due! Not being in class is not an excuse for failing to turn in work. I do NOT accept late homework.

### **Academic Misconduct**

The University has an honor code to ensure the academic integrity. I have a zero tolerance policy for all my classes. Any kind of academic misconduct will result in an F and will be reported to the Dean.

### **Reasonable Accommodations**

Any student who has a disability that may prevent him or her from fully demonstrating his or her abilities should contact me personally as soon as possible to make necessary accommodations.

### **Successful Student Strategies**

1. Attend each class.
2. Read text before class.
3. Ask questions, when material is unclear.
4. Review notes and text after class.
5. Do all the homework assignments.

### **Course Schedule**

#### **Part I: Foreign Exchange Rates and International Monetary Systems**

1. An Introduction to Foreign Exchange Rates (Chapters 1 and 4)
2. International Monetary Systems (Chapter 3)
3. Covered Interest Rate Parity (Chapter 5)
4. Purchasing Power Parity (Chapter 8)
5. Exchange Rate Determination (Chapter 10)
6. China's Foreign Exchange Rate Policies

#### **Part II: Balance of Payments**

1. An Introduction to the Balance of Payments (Chapter 2)
2. Determinants of the Balance of Trade and Payments (Chapter 9)
3. China's Balance of Payments Issues

#### **Part III: Macroeconomic Policy in the Open Economy**

1. The Open Economy IS/LM/BP Model (Chapter 14)
2. Monetary and Fiscal Policies (Chapter 14)