

**Global Money Markets and Institutions**  
**29:390:375**  
**Syllabus**

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**Course description**

We live in a globalized world. An understanding of global financial markets and institutions is critical for managing a business, or a portfolio of financial instruments. The aim of this course is to give a working knowledge of the most essential components of international financial markets. The topics we cover include: foreign exchange markets, international monetary system, exchange rates determination and the global money markets, optimum currency areas and the Eurozone crisis, lessons of recent financial crises for financial management. Class lectures are interactive and include discussion of current economic events.

**Course Materials**

*International Finance: Theory and Policy*, 10/E  
Paul R. Krugman, Maurice Obstfeld, Marc Melitz  
ISBN-10: 0133423638 • ISBN-13: 9780133423631 ©2015 • Prentice Hall • Paper, 456 pp, published 01/21/2014

**Optional:**

Feenstra, Robert C.; Taylor, Alan M., *International Macroeconomics*, 3<sup>rd</sup> edition, Worth Publishers

Eiteman, David K., Arthus I. Stonehill, and Michael H. Moffett, *Multinational Business Finance*, Prentice Hall, 12th edition, 2009, ISBN-10: 0136096689, ISBN-13: 9780136096689.

**Recommended Readings:** The Economist, Financial Times, Wall Street Journal, New York Times

**Course Grading - TBA**

**Course Outline**

**Session 1.** Introduction to Global Money Markets

**Session 2.** National Income Accounting and the Balance of Payments

**Session 3.** The Foreign Exchange Market

**Session 4.** Money, Interest Rates, and Exchange Rates

**Session 5.** Price Levels and the Exchange Rate in the Long Run

**Session 6.** Output and the Exchange Rate in the Short Run

**Sessions 7.** Fixed Exchange Rates and Foreign Exchange Intervention

**Session 8.** International Monetary System

**Session 9.** Macroeconomic Policy and Coordination under Floating Exchange Rates

**Session 10.** Optimum Currency Areas and the European Experience

**Session 11.** The Global Capital Market: Performance and Policies

**Session 12.** Financial Crises, Growth and Reform