

Freie Universität Berlin  
 Department of Economics  
 Institute for East European Studies  
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 Winter Semester 2021/22

## International Macroeconomics

**Seminar:** Tuesdays, 14-16, Online (Theocharis Grigoriadis).

**Exercise:** Tuesdays (every two weeks), 16-18, Online (Ali Reza Rahimi).

### Office Hours

Theocharis Grigoriadis: Mondays, 10-12, Online (Theocharis Grigoriadis).

Ali Reza Rahimi: by appointment.

### Webex Office:

<https://fu-berlin.webex.com/meet/theocharis.grigoriadis>

<https://fu-berlin.webex.com/meet/ali.reza.rahimi>

### **Modules:**

Master of Science in Economics: *Internationale Makroökonomie*.

Master of Science in Public Economics: *Internationale Makroökonomie*.

Master of Arts in East European Studies: *Vertiefungsprofil Wirtschaft*.

This is a course on international macroeconomic theory and policy. The first part of the course will concentrate on the balance of payment, models of intertemporal trade, international capital flows as well as solvency and debt crises. The second part of the course shifts toward models of international finance, including the Mundell-Fleming model. Finally, we discuss theoretical and empirical topics in international economic policy with a strong focus on the political economy of monetary policy and financial crises. Students are expected to become conversant with the analytical tools and theoretical discussions presented in the literature. Slides, which have been graciously provided by Philipp Engler (IMF), will be used to facilitate the learning process. The course grade is defined by a final exam/research paper (depending on degree program pursued) in the end of the semester.

**Regular participation:** six short essays (500 words) on the syllabus readings of six respective weeks.

**Active participation:** collective presentation (12 slides per person, 15 minutes per person) in the last three weeks of the semester.

### **Required Textbooks:**

1. Eichengreen Barry. *Hall of Mirrors*, Oxford University Press, 2016.
2. Harms Philipp. *International Macroeconomics*, Mohr Siebeck Verlag, 2016.
3. Krugman Paul, Maurice Obstfeld & Marc Melitz, *International Economics: Theory & Policy*, Pearson International, 2017.

4. Obstfeld Maurice and Kenneth S. Rogoff. *Foundation of International Macroeconomics*, MIT Press, 1996.

**Grade:**

Final Exam: Economics and Public Economics Masters Students.

Research Paper: East European Studies/Political Science/IR Masters Students.

**Week 1: The Balance of Payments**

- Harms, Ch. 1 and 2.

**Week 2: Intertemporal Trade I**

- Harms, Ch. 3.
- Obstfeld and Rogoff, Ch. 1.

**Week 3: Intertemporal Trade II**

- Harms, Ch. 4.
- Krugman, Obstfeld and Melitz, Ch. 1a.

**Week 4: International Capital Flows & Economic Growth**

- Harms, Ch. 5.
- Krugman, Obstfeld and Melitz, Ch. 1b.

**Week 5: Intertemporal Solvency & Debt Crises**

- Harms, Ch. 6.
- Obstfeld and Rogoff, Ch. 2.
- Krugman, Obstfeld and Melitz, Ch. 2.

**Week 6: The Real Exchange Rate**

- Harms, Ch. 7.
- Obstfeld and Rogoff, Ch. 4.

**Week 7: The Nominal Exchange Rate**

- Harms, Ch. 8.

**Week 8: The Mundell-Fleming Model**

- Harms, Ch. 9.
- Obstfeld and Rogoff, Ch. 9.

**Week 9: International Capital Markets**

- Obstfeld and Rogoff, Ch. 6.

**Week 10: Global Linkages**

- Obstfeld and Rogoff, Ch. 7.

**Week 11: International Monetary Policy Transmission I**

- Obstfeld and Rogoff, Ch. 10.

**Week 12: International Monetary Policy Transmission II**

- Buch, Bussiere, Goldberg and Hills, The International Transmission of Monetary Policy, NBER working paper 24454.

**Week 13 Exchange Rate Regimes, International Financial Architecture & Monetary Crises**

- Harms, Ch. 10.
- Eichengreen, International Currencies in the Lens of History, Springer, 2020.

**Week 14: Hall of Mirrors I**

- Eichengreen, Parts 1 and 2.

**Week 15: Hall of Mirrors II**

- Eichengreen, Parts 3 and 4.