

International Finance – Spring 2014

Peking University HSBC Business School

General Information

Professor: Jiao Shi

Email: jiaoshi@phbs.pku.edu.cn

Office: PHBS 753

Office hours: 9AM – 10AM & 5PM – 6PM Wednesday, or by appointment

Office phone: (0755)26032189

Teaching Assistant: TBD

Class Hours: 1:30PM – 3:20PM, Monday & Thursday

Course Description

Outline: This is an elective class open to graduate students in Master Programs in Economics, Finance, and Management. The purpose of the class is twofold. On the one hand, we broadly survey academic literature on various issues in international finance, and learn how theoretical models are used to explain (or more interestingly at times, weren't able to explain) stylized empirical facts. On the other hand, students will explore one specific topic of their interest, and identify possible future research by delving deeply into existing literature.

Prerequisites: knowledge of intermediate level Macroeconomics & Advanced Econometrics

Class Materials:

Required text:

None. Lecture notes and supplemental materials will be provided to students. Check the reading lists of papers.

Recommended References:

- Obstfeld & Rogoff, "*Foundations of International Economics*"
- Nelson Mark, "*International Macroeconomics and Finance: Theory and Empirical Methods*"

Course Works and Grading

Final grade will be determined according to the following schedule.

Component	Weight
Homework assignments	20%
Exam	30%
Project: Presentation & report	40%
Class participation	10%

Homework: There will be 2 – 3 homework assignments. Students are expected to complete these homework assignments independently.

Exam: A single final exam will be given at the end of the semester. The exam will be made so that analytical questions resemble those in the homework assignments and in-class examples. Short essay questions may ask about anything covered in lectures, or key points of papers in the reading lists.

Project: The project will test students' ability to select a topic of interest, learn widely of related facts and previous researches, and think deeply and critically about existing literature. This is a class offered to graduate students. Students are expected to demonstrate these qualities by identifying possible ways to extend or mend the existing literature. The final reports should resemble a proposal of master thesis. Check the project guidelines for detailed requirements.

Participation: Class attendance is expected. Students who miss class beyond reasonable frequency will automatically lose the class participation grade. In-class discussion and participation are strongly encouraged, and will contribute to your participation grade.

Class Schedule

<i>Time</i>	<i>Class Coverage</i>
Week 1	Course introduction A brief history of the international monetary system Balance of payment account
Weeks 2 - 3	Current account Global imbalances before and after the 2008 financial crisis
Weeks 4 - 5	Real & nominal exchange rate Models of exchange rate determination Exchange rate regimes and capital control
Week 6 - 7	Special topics*: Currency crises and financial crises Economic and monetary unions Default and credit constraint
Weeks 8 - 9	Students' presentations

* Tentative and subject to change