

DESCRIPTION OF INDIVIDUAL COURSE UNIT

Open Economy Macroeconomics

1. GENERAL DESCRIPTION

Course Title	Open Economy Macroeconomics	
Faculty	Facultad de Ciencias Económicas y Empresariales	
General Classification	Diploma in European Business and Economics	
Course code	5594	
Type of course (Core/Compulsory/Elective)	Elective	
Number of credits expressed as student workload (ECTS)	5	
Year of Course / Semester	2010/2011	Second semester
Web		
Language of Instruction	English	
Teaching Methods	There is a combination of lectures and tutorials	

Department	10	Economics
Area of Knowledge		Economics
Teaching Group		Economics
Course coordinator	Dr. José Villaverde	
Other teaching professors		

2. PRE-REQUISITES AND ADVICE

This course is recommended for students of Social Sciences and other related areas who want to have a good knowledge of “International Economics”. Previous experience in Economics is highly recommended.

3. COURSE OBJECTIVES

Technical Competence:

Open Economy Macroeconomics introduce the student to the analysis of International Economics from a monetary perspective. In particular, it will help the student to better understand what is going on in the area of International Economics from a small open economy point of view.

Methodological Competence:

The objective of this module is to widen the student’s knowledge on International Economics. This undergraduate course mainly analyses: 1) the exchange rate and its determinants; 2) How the economy reacts to changes in the exchange rate; 3) The reaction of a small open economy to different shocks and policy measures.

Social Competence:

Students are expected to attend both lectures and tutorials.

Personal Skills:

Students are introduced to different economic relations that are useful for economic analysis.

4. TEACHING METHODS	
ACTIVITIES	HOURS (PER SEMESTER)
ACTIVITIES IN PRESENCE	
ATTENDANCE	
• Theoretical Lessons (TE)	28
• Practical Lessons (PA)	
• Seminar Attendance (PL)	
Subtotal	28
SCHEDULED TIME WITH THE LECTURER	
• Tutorials (TU)	14
• Examinations (EV)	3
Subtotal	15
Total activities in presence (A+B)	45
GUIDED ACTIVITIES	
• Group Work (TG)	
• Tasks and Assignments (TA)	80
Total Guided Activities	80
TOTAL AMOUNT OF WORK MEASURED IN HOURS	125

5. COURSE CONTENTS

THEORETICAL AND PRACTICAL COURSE CONTENTS	TE	PA	PL	TU	EV	TG	TA
MODULE 1: Exchange rate concepts	10	0	0	5	1	0	21
MODULE 2: Exchange rate models	10	0	0	5	1	0	21
MODULE 3: Open economy models	8	0	0	4	1	0	18
TOTAL AMOUNT OF WORK MEASURED IN HOURS	28	0	0	14	3	0	60

6. ASSESSMENT METHODS

PERCENTAGE IN THE FINAL MARKS	%
Continuous Evaluation	
Tests during the study period	40
Final Exam	
Final Exam	60
TOTAL	100
FINAL OBSERVATIONS	
<p>Class Attendance (80% minimum) is compulsory for those students who wish to be assessed by means of the continuous evaluation option.</p> <p>There will only be a final exam for those students who do NOT make use of the continuous evaluation option.</p>	

7. RECOMMENDED READING

CORE TEXTS

Pilbeam, K. "International Finance", Palgrave MacMillan, Third Edition, 2006.

ADDITIONAL READING

Krugman and Obstfeld "International Economics", Addison Wesley, Eighth edition