

## X71 INTERNATIONAL MONETARY RELATIONS

### ΠΕΡΙΓΡΑΦΜΑ ΜΑΘΗΜΑΤΟΣ

#### 1. GENERAL

<b>SCHOOL</b>	ECONOMIC SCIENCES		
<b>DEPARTMENT</b>	ECONOMICS AND SUSTAINABLE DEVELOPMENT		
<b>LEVEL OF STUDY</b>	<i>Undergraduate</i>		
<b>COURSE UNIT CODE</b>	X71	<b>SEMESTER OF STUDY</b>	7
<b>COURSE TITLE</b>	International Monetary Relations		
<b>COURSEWORK BREAKDOWN</b>		<b>TEACHING WEEKLY HOURS</b>	<b>ECTS Credits</b>
	<b>LECTURES</b>	3	7,5
<b>COURSE UNIT TYPE</b>	Scientific Area		
<b>PREREQUISITES :</b>			
<b>LANGUAGE OF INSTRUCTION/EXAMS:</b>	English		
<b>COURSE DELIVERED TO ERASMUS STUDENTS</b>	YES		
<b>MODULE WEB PAGE (URL)</b>			

#### 2. LEARNING OUTCOMES

<b>Learning Outcomes</b>
<p>Scope: International monetary relations are defined through three basic characteristics: the existence and use of many currencies, the movement of capital between countries and the exercise of autonomous policies by individual countries to fulfill their own goals.</p> <p>States have the possibility of choosing several exchange regimes and their choice depends both on the degree of capital circulation and on the type of policy that the states themselves aim to implement and also on the type of mix that other states will implement and mainly states with a large degree of influence on economic development.</p> <p>Independent states choose - their own special currencies for reasons of national sovereignty and national identity but for reasons of expediency - the degree of movement of funds to and from foreign countries - the way of exercising their policies and in particular their monetary policies and their own goals</p> <p>The successful operation and sustainability of an economy depends on the type of mix that the country itself wants to implement but also on the mix that other countries apply and the commitments and degrees of freedom imposed by the international monetary environment.</p> <p><b>Upon successful completion of the course, the student:</b></p>

- will get to know the balance of payments and the various sub-balances and especially the trade balance, the balance of capital movements and the balance of foreign exchange reserves and how these affect the domestic economy
- will get to know the two extreme regimes: free fluctuation and fixed links and will get to know how they affect and are affected by the free movement of capital and the exercise of monetary policy
- will get to know the intermediate regimes and how these have been implemented at times in combination with the free movement of capital and autonomous policies –
- will be able to evaluate combinations of exchange rate regimes with the degree of capital movement and the exercise of monetary policy and assess their likelihood and potential for success

#### General Skills

- Independent and autonomous Work
- Teamworking
- Working in an international environment
- Work in an interdisciplinary environment
- Promoting free, creative and inductive thinking

### 3. COURSE CONTENTS

The course consists of the following parts

1st: Introduction to international economics and includes

- The Balance of Payments
- Exchange rates and basic exchange regimes
- Impact of exchange rate regimes on the balance of payments and in particular the trade balance and the balance of capital movements

2nd: Historical Review of exchange regimes and includes

- The system of Gold Standard
- The Bretton Woods system
- The system of freely floating exchange rates

3rd: International Macroeconomic theory: Global Monetarism

- Arbitrage
- Interest Rate Parity
- Purchasing Power Parity
- Fisher Rule

4th: Consumption, Income and Trade Balance: Mundell-Fleming Models

- The IS-LM-EE methodology
- Monetary policy
- Fiscal Policy

5th: The Trilemma in the time and the theories of exchange rate regime selection

- The Incompatibility Triangle (Choice Trilemma) in time

- The first generation trilemma
- The second generation incompatibility triangle: De La Tor, Levy-Yeyaty and Schmucler incompatibility triangle
- The Third Generation Trilemma, Financial Stability: Triangle Schoenmaker, Pisany – Ferry
- Theory of Optimal Currency Areas – The Trilemma as a function of institutional and economic integration

6th : Economic and Monetary Union: An "ambitious functional triangle".

7th: Exchange rate crisis

- First generation crisis models
- Second generation crisis models
- Third generation crisis models
- The international financial crisis of 2007-08

#### 4. TEACHING METHODS - ASSESSMENT

<b>MODE OF DELIVERY</b>	In class contact	
<b>USE OF INFORMATION AND COMMUNICATION TECHNOLOGY</b>	Dynamic powerpoint transparencies e-class support Communication via e-mail and course discussion group	
<b>TEACHING METHODS</b>	<b><i>Method description</i></b>	<b><i>Semester Workload</i></b>
	Lectures	58
	Home Works	32
	Self-study	97,5
	<b><i>Course total (25 hours of work load per credit)</i></b>	<b>187,5</b>
<b>ASSESSMENT METHODS</b>	Optional mid-term evaluation accounting 30% of the total mark  Final examination: - multiple choice questions	

#### 5. RESOURCES

-- *Recommended Book Resources:*

- *Recommended Article/Paper Resources:*

3. Feenstra, C Robert., Taylor M. Allan. (2012). International Economics, Worth Publisher
4. Krugman, P., Obstfeld, M., Melitz, M. (2018) International Finance: Theory and Policy. 11<sup>th</sup> Edition, Pearson
5. De Grauwe, Paul. (1996) International Money, Oxford University Press

