Macroeconomics : International Macroeconomics

ECTS : 4

Volume horaire : 36

Description du contenu de l'enseignement :

The course aims at presenting the fixed-prices open-macroeconomics model, also called the Mundell-Fleming model. The first part of the course considers a generic version of the model with two polar exchange rate arrangements (perfect flexibility and hard peg) and variable degree of capital controls. The model is then used to assess the effects of economic policies in a small open economy, with a focus on the perfect capital mobility case. The second part of the course presents a two-country extension in order to explicate the role of international spillovers and to consider different exchange rate arrangements: floating, asymmetric fixed exchange rate regime vs. monetary union.

Compétence à acquérir :

By the end of this module, students will have demonstrated: **Knowledge** 1. An ability to describe in detail (1) the different factors that determine the balance of payment, (2) how those factors also impact the different markets (goods market, monetary markets, securities markets, labour markets, Fx markets) (3) the mechanism by which a general equilibrium is achieved in a context of a small open economy, with floating and fixed exchange rate regime according to the Mundell-Fleming model. 2. An ability to analyse in detail (1) the consequences of economic policies (especially monetary, fiscal, mixed policies and in a case of a fixed exchange rate regime, devaluation) (2) and the role of international variables in a context of a small open economy, with floating and fixed exchange rate regime. 3. An ability to describe in detail (1) the different factors that determine the balance of payment, (2) how those factors also impact the different markets (goods market, monetary markets, securities markets, labour markets, Fx markets) (3) the mechanism by which a general equilibrium is achieved in a context of two countries in a floating and fixed exchange rate regime. 4. An ability to analyse in detail (1) the consequences of economic policies (especially monetary, fiscal, mixed policies and in a case of a fixed exchange rate regime, devaluation) in a context of two countries in a floating and fixed exchange rate regime. 5. An ability to analyse in detail the consequences of economic policies (especially monetary, fiscal, mixed policies) when countries decide to form a monetary union. 6. An ability to describe the different steps of the construction of the european monenatry system and to understand the main economic theories that underlies this construction. **Skills** 7. An ability to determine mathematically/graphically a general equilibrium given the different functions representing the economic behaviours/budget constraints of economic agents. 8. An ability to compute and to analyse the different multipliers for different types of policies/shocks (fiscal, monetary, mixed policies). 9. An ability to use and adapt economic concepts studied in class on new topics, situations, contexts. 10. An ability to follow the evolution of the financial markets throughout the semester and to be able to link these markets movements to macroeconomics concepts. **Values and Attitudes** 11. An ability to take responsibility for their studies in and outside of class and to be proactive and take initiative for further individual development. 12. An ability to work effectively, and appropriately with others in class.