



International Economics and Trade	
Course number	2504 (International Management)
Lecturer	Prof. Dr. Erich Ruppert / Prof. Dr. Malte Krüger
ECTS	6
Number of semester hours	4
Type	Compulsory Module
Duration	1 Term
Prerequisites	Basic knowledge of economics
Type of exam	Written Exam (120 min.)
Objectives	<p>Students are aware of the specific risks in international transactions and they are able to develop strategies to manage these risks.</p> <p>In order to be prepared for an increasingly global work environment, students have command of an elementary knowledge on international economic relations. Course participants are familiar with empirical results on the increasing integration of the global economy in a real and monetary economic perspective (globalization).</p> <p>Students have a deeper understanding of the various forms and the advantages of the international distribution of labour and they have an elementary knowledge on the most important institutions in the field of trade and exchange rate policy. Students are able to apply theories to understand current and recent economic problems.</p> <p>Students can explain real economic and monetary phenomena and they can critically discuss the validity of the explanations offered by various schools of thought, i.e. they can evaluate the advantages and disadvantages of different exchange rate regimes. This enhances their aptitude to analyse and evaluate economic and economic policy developments and decisions in an international context. On this basis they can derive the consequences of economic policy measures in the area of foreign trade, monetary and exchange rate policies on the strategies of their enterprises.</p>
Content	<p>Overview over decision-making institutions, goals and instruments of international economic policy.</p> <p>Documentation of international economic relations in the balance of payments and their connection to the national accounts.</p> <p>Introduction to the importance of money, credit and international financial markets and the interrelation between the monetary and the real sector of the economy. The monetary, credit and foreign-exchange market related instruments of central banks, in particular of the European system of central banks.</p> <p>Open economy macroeconomics in particular the international transmission of economic shocks. Exchange rate theories exchange rate policies and international economic institutions. International currency, economic and debt crises.</p> <p>Foundations of the theory and politics of international trade and investment with perfect and imperfect markets as well as with foreign direct investment and the existence of multinational enterprises or of cross-border and fragmented value creation chains. Overview of instruments of trade policy. Relevant international organizations and stages of regional and global economic integration, in particular through the European Union.</p>

Bibliography	<p>Henk Jager, Catrinus Jepma: Introduction to International Economics, 2nd edition, Palgrave Macmillan, 2011.</p> <p>Robert C Feenstra; Alan M. Taylor: International Economics, third Edition, Macmillan, 2015.</p> <p>Krugman, Paul R.; Obstfeld, Maurice ; Melitz, Marc J.: International economics : theory and policy, 10. ed., Boston, Mass.: Pearson 2015.</p> <p>Blanchard, Olivier; Amighini, Alessia; Giavazzi, Francesco (2013): Macroeconomics: A European perspective, 2. ed., Harlow</p> <p>Bank for International Settlements: Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity (latest issue).</p> <p>Bordo, Michael D. (1993): The Gold Standard, Bretton Wood and Other Monetary Regimes: A Historical Appraisal, Federal Reserve Bank of St. Louis Review, March/April, 123-191.</p> <p>European Central Bank: Review of the international role of the euro, Frankfurt (latest issue).</p> <p>Feldstein, Martin and C. Horioka (1980): Domestic Savings and International Capital Flows, The Economic Journal 90, June, 314-329.</p> <p>Friedman, Milton (1953): The Case for Flexible Exchange Rates, in: M. Freidman, Essays in Positive Economics, Chicago: University of Chicago Press, 157-203.</p>
Forms of instruction	Lecture
Workload	<ul style="list-style-type: none"> • contact time 60h • self-study 120h • workload 180h
Language of instruction	English
Availability	Every summer term