UNIVERSITY OF CONNECTICUT
SPRING 2012
INTERNATIONAL FINANCE (ECON 3422)

INSTRUCTOR: Paul Hallwood Ph.D.

Lecture time: FRIDAY 10am -1pm.
Room: Fs 220
Office Hours: After class.
Email address: paulhallwood@msn.com

Required: Hallwood, Lecture Notes, Sent to you for free – I suggest that you have them printed and bound at a place like Staples for about $5.

The lecture notes are based on Hallwood/MacDonald, INTERNATIONAL MONEY AND FINANCE, Blackwells, Oxford, 2000. Extra notes have been added.

TOPICS (with page numbers in Lecture Notes):

1. INTRODUCTION page 1
2. BASIC CONCEPTS IN INTERNATIONAL FINANCE page 6
3. SPOT AND FORWARD EXCHANGE RATES: SOME MORE BASIC IDEAS page 15
4. THE ABSORPTION APPROACH TO THE BALANCE OF PAYMENTS page 25
5. MACROECONOMICS IN AN OPEN ECONOMY: THE MUNDELL-FLEMING MODEL page 32
6. THE MONETARY APPROACH TO THE BALANCE OF PAYMENTS page 39
MABP: China, the US, world inflation and the housing crisis
7. THE MONETARY VIEW OF EXCHANGE RATE DETERMINATION page 46
8. EXCHANGE RATE OVERSHOOTING – THE DORNBUSH MODEL page 52
9. INTERNATIONAL CAPITAL FLOWS page 56
10. CURRENCY CRISSES AND SPECULATIVE ATTACK page 66
11. THE EURO-ZONE FINANCIAL CRISIS, SEPTEMBER 2011 ON GOING page 75
12. INTERNATIONAL BANKING CRISSES page 85
13. ASPECTS OF THE INTERNATIONAL FINANCIAL CRISIS BEGINNING 2007: HOW (GF)^5 ALMOST DESTROYED THE U.S. AND WORLD FINANCIAL SYSTEM. Oh, (GF)^5 is the ‘greater fool’ conjecture to the fifth power. Page 91
14. THE DOLLAR STANDARD TODAY AND DURING THE BRETTON WOODS ERA page 101
15. MONETARY UNION page 112
16. DESIGNING AN INTERNATIONAL MONETARY SYSTEM page 123
Examinations and course assessment:
Five in-class short examinations (5% each = 25% of course grade)
Midterm 35% of course grade
Final 40% of course grade

(MID-TEM BREAK IS MONDAY MARCH 12TH TO FRIDAY MARCH 16TH)

DATES
1) IN CLASS EXAMS
   1: Fri 2/3 5% (of course grade)
   2: Fri 2/17 5%
   3: Fri 3/2 5%
   4: Fri 4/6 5%
   5: Fri 4/20 5%

2) MID-TERM EXAMINATION: Friday 3/9 (35% of course grade)

3) FINAL EXAMINATION: Week beginning Monday April 30th (40% of course grade)