

# 강의계획서

## 1. 교과목 개요

가. 교과목명 (학수번호, 이수구분 등) : 국제수지론 (D02352201)

나. 담당교수 : 김장열

다. 교과목 학습목표 : This course construct a Macroeconomic theory of an open economy and apply this theory for policy analysis. We begin with basic concepts, like exchange rates, balance of payments, national income account, trade balance. We then lay out several useful theories which explain the determinants of these variables and assemble these theories to form an overall analytical framework. Finally, we apply this Macroeconomic theory to examine several historical and current international economic policy issues, such as the stabilization policies, a country's choice of exchange rate regimes, and currency crisis.

라. 강의 방법 및 자료 매체 (판서 모니터, PPT, 워드문서, 인터넷 등) : Detailed lecture notes (in PPT or PDF formats) are provided. Big pictures and key concepts for each topic will be explained in class sessions in the traditional lecture format.

마. 교재 및 참고문헌 :

[DO NOT PURCHASE TEXTBOOKS until the end of the first class session!]

1. International Macroeconomics by R. Feenstra and A. Taylor, second edition.
2. International Economics: Theory and Policyby Paul R. Krugman , Maurice Obstfeld, and Marc Melitz , 9th Edition

## 2. 주차별 수업 운영 계획(중간.기말고사 제외)

주 차 (week)	강의범위 및 내용 (contents)	비 고 (further information)
1	Basic Concepts of Exchange Rates are discussed first. Then, the relations between interest rates and exchange rates are examined via the concept of arbitrage.	[TOPIC 1] Basics of Exchange Rates and Foreign Exchange Market
2	We will examine: i) why exchange rates are related to price levels in the long-run when prices are flexibly adjusted; ii) How price levels are determined in the long-run.	[TOPIC 2_1] Exchange Rate in the Long-Run(I)
3	The role of interest rate in the money demand and exchange rate determination is explained from the long-run perspective. Then, some reasons why purchasing power parity (PPP) fails to hold will be discussed.	[TOPIC 2_2] Exchange Rate in the Long-Run(II)
4	Uncovered interest parity (UIP) condition will be interpreted as a theory of exchange rate determination in the short-run while price levels are fixed. Then, how interest rate are determined in the short-run will be explained.	[TOPIC 3_1] Exchange Rate in the Short-Run(I)
5	We combine: i) the long-run theory of exchange rate, ii) the UIP condition, and iii) the short-run theory of interest rate, to develop a comprehensive model of exchange rate determination. Using the comprehensive model, we explain the overshootings of exchange rates.	[TOPIC 3_2] Exchange Rate in the Short-Run(II)
6	How to measure overall economic activities in an open economy is explained. To do so, we see how the production/expenditure/income of an open economy are related in the national income and products accounts (NIPAs), and how international trade in goods and services is complemented and balanced by a parallel trade in assets via the balance of payments (BOPs) accounts.	[TOPIC 4] National Income and Balance of Payments for an open economy

7	To describe how an open economy works as a whole, we construct a model (called the IS-LM-FX model) that can explain the relationships among all the major macroeconomic variables in an open economy in the short run.	[TOPIC 5_1] IS-LM-FX Model (I)
8	Using the IS-LM-FX model, we examine the effects of monetary and fiscal policies under a floating exchange rate.	[TOPIC 5_2] IS-LM-FX Model (II)
9	Some practical issues around actual stabilization policies will be discussed, within and beyond the context of the IS-LM-FX model.	[TOPIC 5_3] Issues around stabilization policies
10	The IS-LM-FX model is adapted to the case of the pegged exchange rates, and is used to examine the effects of monetary and fiscal policies.	[TOPIC 6_1] IS-LM-FX model under a peg
11	The pros and cons of the floating and pegged exchange rates are examined in the context of the policy trilemma. A case study of two east european countries adopting different exchange rate regimes is also discussed.	[TOPIC 6_2] To Peg vs To Float
12	The ERM crisis, a historical episode of the currency crises, will be discussed.	[TOPIC 7] The ERM Crisis
13	Using the IS-LM-FX model, we explain the collapse of a peg triggered by a sudden change in the market sentiment.	[TOPIC 8] How pegs break?