



**COURSE DATA**

**DATA SUBJECT**

**Code:** 35918  
**Name:** International macroeconomics  
**Cycle:** Undergraduate Studies  
**ECTS Credits:** 6  
**Academic year:** 2026-27

**STUDY (S)**

Degree	Center	Acad. year	Period
1314 - Degree in International Business	Facultat d'Economia	3	Second quarter
1314 - Degree in International Business	Facultat d'Economia	4	Second quarter

**SUBJECT-MATTER**

Degree	Subject-matter	Character
1314 - Degree in International Business	International economic situation	ELECTIVES
1314 - Degree in International Business	International economic situation	ELECTIVES

**COORDINATION**

ZUCHOWSKI DAVID

**SUMMARY**

In today's world most of the countries are very open economies due to the intensive process of globalization. Consequently the macro performance of all countries is very dependent on the behavior of the external sector, namely exports, imports and international capital flows. This is so not only in the long run but also in the short run.

In the long run, economic growth is very much related with international trade and factor mobility and it is one of the main determinants of the degree of development, openness and income distribution.

However, in the short run shocks are transmitted from one country to another generating trade imbalances and currency adjustments and/or currency stress from sharing a common monetary policy, as we have seen in the latest years. Liquidity problems and bubble processes may also have an origin in the external sector of an economy which lacks financial and banking confidence or an appropriate monetary policy. Some of the financial stress may end up affecting the real economy causing unemployment, excess of capacity and a reduction in the per capita income levels.

An empirical and theoretical look at these questions and at the current situation will be the center of this course. All theories will be presented around real cases and examples, including a specific look at the



European case. To this end the course is structured in two parts: the first focuses on the international trade area and the second deals with topics related to the international financial markets.

## PREVIOUS KNOWLEDGE

### RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

### OTHER REQUIREMENTS

There are no specified enrollment restrictions with other subjects of the curriculum.

## COMPETENCES / LEARNING OUTCOMES

### 1314 - Degree in International Business

Aprehensió de las principales características de las más relevantes economías emergentes en la actualidad.

Aprendizaje de los conceptos teóricos básicos para el análisis de la coyuntura económica internacional.

Aprendizaje de los fundamentos de un análisis de coyuntura económica: rudimentos técnicos, variables de relevancia y problemas de datos y elaboración.

Conocimiento de los factores que han transformado en los últimos años el marco económico internacional.

Conocimiento de los objetivos, estructura y funcionamiento de las principales instituciones económicas internacionales: globales; financieras y monetarias; de comercio, inversión y turismo; vinculadas al desarrollo; regionales.

Conocimiento de los principales informes de las instituciones económicas internacionales.

Conocimiento detallado de la situación económica internacional; crecimiento, desequilibrios y retos estructurales por países y áreas geográficas.

Develop the capacity to evaluate and critically analyse international economic phenomena and agents.

Develop the capacity to prepare and defend reports that contribute to the decision-making of public and private agents.

Know how international financial markets work.

Know the basic competences and the functioning of the main international economic and cooperation institutions.

Understand and reflect on socio-economic and political contexts that affect business and economic decision-making in an international environment.



Understand the basic concepts of economic analysis that are applicable to the operation of companies and institutions in the international context.

Understand the behaviour of economic agents and their interaction in global markets.

## DESCRIPTION OF CONTENTS

### 1. What is International Macroeconomics about?

- 1.1 International trade topics
- 1.2 International finance topics

## 2. World trade: an overview

- 2.1 The Gravity model
- 2.2 New trends in international trade

## 3. International Trade Policy

- 3.1 Arguments for free trade
- 3.2 Arguments against free trade
- 3.3 Political models of trade policy
- 3.4 International trade policy and the WTO

## 4. National income and balance of payments

- 4.1 National Accounts: GDP
- 4.2 Other major economic variables
- 4.3 National saving, investment and the current account
- 4.4 Balance of Payments

## 5. Exchange rates and the foreign exchange



## market

- 5.1 Exchange rates and international transactions
- 5.2 Foreign exchange market
- 5.3 Demand for foreign currency assets
- 5.4 A model of foreign exchange markets: interest rates, expectations and equilibrium

## 6. Money, interests rates and exchange rates

- 6.1 Definition of money
- 6.2 The demand for money: individual and aggregate
- 6.3 The money supply and the exchange rate: short- and long-run

## 7. Adjustment in the long run: exchange rates and prices

- 7.1 The law of one price
- 7.2 The Purchasing Power Parity (PPP)
- 7.3 A long-run exchange rate model based on PPP: the monetary approach
- 7.4 The Fisher effect
- 7.5 Beyond PPP: a general long-run exchange rate model
- 7.6 Real interest rates

## 8. Adjustment in the short run: output and exchange rates

- 8.1 Determinants of the aggregate demand in the short-run
- 8.2 A short-run model of output markets
- 8.3 A short-run model of asset markets
- 8.4 A short-run model of output and asset markets
- 8.5 Effects of temporary changes in monetary and fiscal policies



## 9. International Monetary Systems

- 9.1 Macroeconomic policies: internal and external balance
- 9.2 Gold standard era
- 9.3 International monetary system during interwar period
- 9.4 Bretton Woods system of fixed exchange rates
- 9.5 Foreign exchange markets since 1973

### WORKLOAD

#### PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
<b>Total hours</b>	<b>60,00</b>

#### NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	20,00
Independent study and work	40,00
Preparation of lessons	20,00
Preparation for assessment activities	0,00
Resolution of case studies	10,00
<b>Total hours</b>	<b>90,00</b>

### TEACHING METHODOLOGY

The methodology for this topic on International Macroeconomics will be oriented to the combination of individual and team work, in theory as well as in discussion sections. More specifically:

- Theory classes will be previously prepared by students combining basic readings with all sort of questions raised while studying each of the topics. The teacher will mix traditional lectures with active participation by students, raising questions and looking for answers. The student will be required to rely on his individual work but also with other colleagues in a team, learning how to argue and debate ideas and how to communicate them in a clear way.
- The discussion sections will reinforce the concepts acquired at the theoretical sessions and from the textbook and will develop the capacity to apply knowledge to the real world. In this respect the students will be asked to carry out two tasks:



1.- Do their assigned homework and hand it in whenever it is asked by the teacher. There will be tasks of data searching information at Websites, press releases and treating statistical data in an appropriate way.

2.- Do a presentation on a subject determined by the teacher. Problem solving capacities, oral and written communication, coordination activities and team work will be developed by the students.

## EVALUATION

*Theory:* International Macroeconomics student evaluation will be based on the grade from the final exam, although the continuous evaluation process will play an important role in order to improve the final qualifications. A minimum score of 4 on the exam is required to pass the course.

*Practice activities:* The practical sessions will be evaluated using the practical exercises and the presentation that the students must prepare during the course. The students must choose a topic related to international economics and prepare a presentation about it to present it in class. Students can obtain a maximum of 4 points with this task.

The other 6 points will be obtained thanks to other activities, as comments on selected readings about current international issues, practical exercises, etc. By doing these activities, students will be able to add to their research project's mark 6 points.

The final grade will be obtained as an average between the theory and practice grades. Total passing grade requires 5 points.

[https://www.uv.es/graus/normatives/2017\\_108\\_Reglament\\_avaluacio\\_qualificacio.pdf](https://www.uv.es/graus/normatives/2017_108_Reglament_avaluacio_qualificacio.pdf)

## REFERENCES

- Krugman P., Obstfeld M. & Melitz M., (2022) International Economics. Theory and Policy, 12th edition. Prentice Hall
- Krugman P., Obstfeld M. & Melitz M., (2018) International Economics. Theory and Policy, 11th edition. Prentice Hall
- Krugman P., Obstfeld M. and Melitz M.J. (2012): International Economics. Theory and Policy. 9th edition, Prentice Hall.
- Blanchard O., Amighini A., & Giavazzi F. (2013), Macroeconomics a European Perspective, Prentice Hall