

EDEVM312-Macro-finance and Development Syllabus

Administrative information

Instructor(s): RYCHALOVSKA Yuliya

Quadrimester: 2nd

Number of credits and teaching hours: 4 credits-30 hours

Language: English

Learning outcomes

The objective of this course is to develop the comprehensive framework for analyzing the macro-financial and monetary aspects of stabilization policies in emerging and developing market economies. The course enables students to acquire a good understanding of the main concepts of financial and monetary economics, study the role of the monetary stabilization policy, the development of financial intermediation (liberalization of financial markets) as well as open economy aspects of the macroeconomic stability (the choice of the exchange rate regime, the challenges and opportunities associated with international financial integration). This course discusses the real-world macro-financial issues currently facing the developing countries and emphasized in the reports of the international organizations (IMF, World Bank). In order to acquire practical skills needed for the analysis of applied issues, students will get familiar with the available data sources and data bases used to evaluate the strengths and weaknesses of a country's financial system.

Content

The course consists of three distinct parts: I. Review of the basic concepts and mechanisms in financial and monetary economics: building blocks and characteristics of financial systems; assessing risk and valuation of financial assets; determinants of the interest rates. II. Issues related to the domestic financial system: the role of banks in emerging market countries, their regulation and supervision; bank crises: their origins, effects and prevention; the role of financial frictions and imperfections; impact of

the 2008 financial crisis on the financial system; restructuring the financial system ; III. Monetary policy issues: monetary policy instruments and institutions in developed economies and in emerging markets; the choice of monetary policy targets and the exchange rate regime ; inflation stabilization and policy credibility ; problems of "dollarized" economies ; monetary policy in crisis times.

Teaching methods

Two hours lectures. Slides, lecture notes and selected readings will be distributed.

Evaluations

Written exam, closed books.

Recommended readings

Reading list recommended in class and available on webcampus.