

T E N A T I V E   S Y L L A B U S   F O R :  
ITRN 602-001, International Financial Institutions and Globalization  
Spring 2004, Wednesdays, January 14 – May 8, 7:20-9:50 pm

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Office Hours: Before and After Class, by Appointment

Welcome! The objective of this course is to enhance your understanding of key aspects of international finance, including: international financial institutions – private and public; international financial markets, processes, and instruments; methods of analyzing and assessing international financial trends; and key international financial issues. I hope the course meets these objectives and you find it worthwhile.

### Grading

Grades are to be based on student performance on three take home problem sets and three in class, open books/notes exams.

-- Each specific answer on problem sets or examinations is to be worth 1 point; shortfalls in providing the answer, such as incorrect numerical calculation, incorrect statement or application of concept, incomplete explanation, etc., are to result in deductions.

-- Points received after deductions are to be totaled, expressed as a percentage of total possible points, and turned into course letter grade with following scale: A=96-100%, A-=92-96%, B+=88-92%, B=84-88%, B-=80-84%, C=70-80%, F=<70%. In the unlikely outcome of a percentage falling exactly on a boundary percentage, such as 92, higher grade is to be given.

-- The three examinations and the three problem sets are each to account for roughly one-sixth of overall total points. Approximately 150 points are to be available, such that each point deducted is to roughly translate to 2/3 of a percentage point lost on grade scale.

### Course Materials

Main Text: *International Financial Management*, Cheol Eun and Bruce Resnick, 3<sup>rd</sup> Edition.  
(ER on schedule)

Reserve Desk Materials: *Assessing Financial Vulnerability*, Morris Goldstein (MG1)  
*Asian Financial Crisis*, Morris Goldstein. (MG2)  
*Argentina and the Fund*, Michael Mussa (MM)  
*Guide to Economic Indicators*, Economist (GE)

Websites: IMF website, “About Us” and links to HIPC materials  
World Bank website, “About Us” and links to HIPC materials  
Bank for International Settlements website, “About Us”  
Regional development bank websites  
Federal Reserve System websites

Writing Guide: *A Pocket Manual of Style*, Diana Hacker.

## Schedule

### Institutions

Jan 14	Overview of International Financial System; Commercial Banks	ER 5-21; 130-143
Jan 21	International Monetary System and Central Banks <b>Homework Assignment; Due January 28</b>	ER 26-40 <a href="http://www.federalreserve.gov">www.federalreserve.gov</a> Federal Reserve System: Purposes/Functions, Ch 3-4
Jan 28	IMF and BIS	<a href="http://www.imf.org">www.imf.org</a> “About Us” <a href="http://www.bis.org">www.bis.org</a> “About Us”
Feb 4	World Bank Group and Regional Development Banks	<a href="http://www.worldbank.org">www.worldbank.org</a> “About Us”; Regional Development Bank Websites
Feb 11	<b>Examination</b>	Materials Jan 14 – Feb 4

### Markets and Processes

Feb 18	Foreign Exchange Markets	ER 75-95
Feb 25	International Bond and Equity Markets <b>Homework Assignment; Due Mar 3</b>	ER 248-273; 157-174; 176-197
Mar 3	Foreign Direct Investment /OPIC	ER 353-376
Mar 10	No Class	
Mar 17	Derivatives and Financing Global Trade / Export- Import Bank	ER 200-206; 209-211; 221-222; 227-234; 237-242; 446-450; 453
Mar 24	<b>Examination</b>	Materials Feb 18 – Mar 17

### Analyzing International Financial Trends and Situations

Mar 31	Quantitative Measures	ER 58-71; GE Ch 10-11
Apr 7	No Class	
Apr 14	Tools of Analysis	ER 167; MG1 2,8

Issues

Apr 21	Emerging Market Financial Crises <b>Homework Assignment; Due Apr 28</b>	ER 47-54; 143-159; MG2 Ch 2,5; MM Ch 1,2
Apr 28	LLDC Debt and HIPC Initiative	IMF / World Bank websites
May 5	International Financial Globalization Assessment	Materials to be announced
May 12	<b>Examination</b>	Materials Mar 31 – May 5