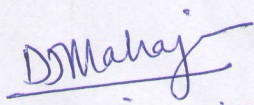


Dr. BABASAHEB AMBEDKAR MARATHWADA UNIVERSITY, AURANGABAD
DEPARTMENT OF ECONOMICS

M.A. (Economics) SYLLABUS

Course Code No.: ECO-215	No. of Credits: 04	Semester: II
Course Title:	INTERNATIONAL MONETARY ECONOMICS	
Course Objectives:		
<p>This course requires an understanding of the basics of international economics. The course deals with the monetary aspects related to international economic transactions between countries. The course throws light on the basics of balance of payments and various approaches to correcting disequilibrium in balance of payments. It also deals with the important activities in the foreign exchange market. The course offers an insight into issues related to international movements of capital and international banking. It gives the students an understanding about the evolution of the international monetary order.</p>		
Unit	Course Content	Periods
I	Nature and Concept of Balance of Payments: Equilibrium and disequilibrium in balance of payments – expenditure reducing and expenditure switching policies – Elasticity, absorption and depreciation approach – Monetary approach to the Balance of payments- Balance of Payments Multiplier	12
II	The Foreign Exchange Market: The demand for and supply for foreign exchange – fixed, flexible and floating exchange rates – spot and forward market-speculation and arbitrage. Foreign exchange swaps – futures and options – the law of one price	11
III	The Evolution of the International Monetary order – the Bretton Woods System – Problems of international liquidity and the role of SDRs, Flexible exchange rates as an international monetary order – Changing role of IMF – IMF conditionalities – World Bank and Structural Adjustment Loan Facility	15
IV	International Banking: Trends in international banking – types of international banking activities – historical evolution of international banking – effects of international banking – difficulties in regulating international banking – the future of international banking	12
V	International Capital Movements: Long term and Short term capital movements - controversy regarding order in opening up of current and capital accounts - External debt versus Foreign direct investment - Balance of Payments crises and capital flight	10
Course Outcome :-		
<ul style="list-style-type: none"> • Student will get in depth knowledge of monetary aspect of international Economic transaction • Student will understand the basic of balance of payment • Student will get an insight into issues related to international capital movement and about the international monetary order. 		


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