



Universidad
de Navarra

International Finance

Guía docente 2024-25

PRESENTATION

Brief Description: This course aims to familiarize students with the structure and functions of foreign exchange markets. Students will learn the advantages and disadvantages of financial globalization, how it constrains national policies and how they limit it. Then, they will analyze the dynamic behavior of exchange rates and their real and nominal macroeconomic effects. They will also be exposed to the role of international finance in developing an economy and the financial crises that have arisen in a world of open capital markets.

- **Degrees:** BBA & ECO
- **Module/Subject:** Module: Accounting and Finance / Subject: Finance
- **ECTS:** 6
- **Course, semester:** 4th year, 2nd semester.
- **Professor:** Rafael Garduño Rivera
- **Language:** English
- **Classroom, Schedule:** Mondays 17-19hrs (Aula 12) and Thursdays 17-19hrs (Aula 10)

COMPETENCIES

Basic Competencies (Management and Economics)

BC2. Students should be able to professionally apply their knowledge to their job or vocation. They should be able to prove their general competencies by developing and defending arguments and solving problems within their subject area.

BC4. Students should be able to convey information, ideas, problems and solutions to specialized and general audiences.

BC5. Students should have developed the learning skills necessary to undertake higher programs of study with greater independence.

General Competencies (Management and Economics)

Specific Competencies (Economics)

SC15. Applying economic logic and econometric techniques to specific economics, finance and business aspects.

Specific Competencies for Elective Subjects (Management)

SC01. Gaining and deepening insight into macro- and micro-economics.

SC02. Understanding more specialized areas of economic theory that may be used to address relevant social issues such as health, sports and development.

PROGRAM

Topic 1: International Finance in the Global Economy

1.1 Fundamentals of International Finance



Universidad
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1.2 A brief history of financial globalization since 1850

1.3 The arguments in favor of financial globalization

1.4 The Role of financial globalization in the International Transmission of shocks in Economic Crises

Topic 2: The Exchange Rate Market

2.1 Definitions. Exchange risk. Tools to combat change risk. Exchange rate regimes, classification

2.2 Microstructure of the exchange rate market

2.3 Interest rate parities

2.4 Relevant factors in determining the exchange rate

Topic 3: International Finance Models for Open Economies

3.1 Determination of the current account balance and accumulation of external debt

3.2 Mundell-Fleming Model: Macro stabilization policies in open economies

3.3 Speculative attacks under fixed exchange rates

Topic 4: The Euro

4.1 Fixed vs. flexible exchange rates

4.2 Fixed exchange rates, optimal monetary areas and the euro

4.3 The problem of global imbalances

4.4 The European sovereign debt crisis (2010 - 2014)

Topic 5: Global Financial Crises

5.1 Global financial crises since 1980

5.2 Lessons from the global financial crises for economic policies

Topic 6: The Future of Financial Globalization

6.1 Global Liquidity after the 2008 crisis

6.2 Macro-Prudential Policies in the financial sector: capital controls and banking regulation



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FORMATION ACTIVITIES

- Attendance to Master Classes(face-to-face): 45 hours
- Elaboration of guided work (and participation in the Project presentations face-to-face): 15 hours
- Tutorials: 5 hours
- Personal study: 75 hours

EVALUATION

- Elaboration and presentation of guided work: 10%
- Midterm exam: 30%
- Final Exam: 60%

HORARIOS DE ATENCIÓN

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- Office 2530 Edificio Amigos. 2nd. Floor.
- Horario de tutoria: upon request

BIBLIOGRAFÍA

Textbook

Krugman, P., Obsfeld, M., Melitz, M., 2018. International Economics: Theory and Policy, Global Edition. 11th Edition, Pearson

Other useful textbooks

Robert C. Feentra & Alan M. Taylor. Segunda Edición (2012). Macroeconomía Internacional. Reverté. [Localízalo en la biblioteca.](#)

Paul R. Krugman, Obstfeld, M., & Marc J. Melitz. 9a edición (2012). [Economía internacional: Teoría y política.](#) Pearson.

GEERT BEKAERT AND ROBERT J. HODRICK International Financial Management. Pearson, 2009

RICHARD M. LEVICH: International Financial Markets, Prices and Policies. Second Edition. McGraw Hill, 2001

NELSON C. MARK: International Macroeconomics and Finance. Theory and Econometric Methods. Blackwell Publishers 2001



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FRANCISCO L. Y LUIS A. RIVERA-BATIZ: International Finance and Open Economy Macroeconomics. MacMillan Publishing Company, 1994

CRISTINA TERRA, Principles of International Finance and Open Economy Macroeconomics (E-book). Elsevier, 2015.