GLOBAL ECONOMIC ENVIRONMENT III:
FINANCIAL MARKETS AND THE MACROECONOMY
B8251

Professor Frederic S. Mishkin                          Spring 2015

COREQUISITE:   B8250, Global Economic Environment II

The course Global Economic Environment II (GEE II-B8250) must be taken prior to or concurrently with B8251. Knowledge of the GEE II material is only required for the second half of B8251. Taking the two courses concurrently is not only possible, but has advantages. By taking GEE II in the A-term concurrently with B8251, students will have this material fresh in their minds when they make use of it in the second half (B-term) of B8251.

COURSE DESCRIPTION

This is a lecture course that draws from the fields of Finance and Macroeconomics. The course is intended to help students understand the role that financial markets and monetary policy play in the global economic environment that they will have to face in the future. It also provides an understanding of the underlying institutions, both political and economic, that either make financial markets work well or that interfere with the efficient performance of these markets. The course develops a series of applications of principles from finance and economics that explore the connection between financial markets, monetary policy and the macro economy. In addition, it will focus on many public policy issues and examine how the most important players in financial markets, central banks, operate and how monetary policy is conducted. The course will have a strong international orientation by examining monetary policy in many countries and possible reforms of the international financial system. We will also focus on current events reported in the financial press with an extensive discussion of 20-30 minutes at the beginning of every class in which we will use the analytic frameworks developed in class to help us to understand these developments.