



MASTER COURSES 2015/2016



Monetary and Financial History

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Scope:

With this course students are provided with skills to understand on how a long-run perspective can help explain today's monetary and financial situation.

The students develop their knowledge by comparing theoretical frameworks and analyzing monetary and financial long-term data.



Course contents

PART I – The international monetary system

1. Currency convertibility and stability

1.1. The gold standard: flexibility and international cooperation

1.2. The gold exchange standard between the wars: competition and cooperation

1.3. Bretton Woods and the dollar standard

1.4. The international monetary system since 1971: controlled fluctuation

2. Monetary Unions

2.1. Theoretical framework

2.2. Historical examples: monetary unification in Germany, monetary unification of USA, Latin Monetary Union and Scandinavian Monetary Union

2.3. European Monetary Union



PART II - The international financial system

1. Financial globalization

1.1. Capital account liberalization and financial globalization

1.2. Integration measures

1.3. Costs and benefits

2. Financial institutions and long run economic growth: the banking system and stock markets

2.1. Theoretical framework

2.2. The ‘Capitals of Capital’ and Corporate Finance



3. Financial Crises: institutions and markets

3.1. Theoretical framework

3.2. Financial regulation

3.3. Case-studies of particular crises



Course Contents imply ...

To study the main trends in the international monetary system since the last quarter of the 19th century;

To place current questions in a long term context, demonstrating that the international monetary system can be seen as a *network of externalities*;

To study the role of Central Banks in the long run.



To consider the relation between financial intermediation and economic growth in the long run, comparing and contrasting major financial centres (London, Paris, Berlin, New York, Frankfurt, Tokyo, Hong Kong, Singapore);

To analyse financial crises, examining causes and responses at different times and in different places.



At the level of learning outcomes in the end of the semestre each student should be able:

1. To explain exchange rate regime choice in historical perspective.
2. Compare historical monetary unions and understand why EMU differs from earlier monetary unions.
3. Describe financial architecture and explain its importance in Corporate Finance.
4. Analyse financial globalization and discuss its costs-benefits.
5. Understand that this time may seem different, but a deeper look shows it is not. Financial crises seems to have remained a constant in the long run.

In addition to the readings lists for each topic, we recommended the following general readings:

Barry Eichengreen, *Globalizing Capital. A History of the International Monetary System*, New Jersey: Princeton University Press, 2002.

Carmen M. Reinhart; Kenneth S. Rogoff, *This Time is Different – Eight Centuries of Financial Folly*, Princeton: Princeton University Press, 2009.

Charles P. Kindleberger, *Manias, Panics and Crashes? A History of Financial Crises*, Houndmills: Macmillan, 1979.

Lars Jonung and Jurgen Nautz (Eds.), *Conflict Potentials in Monetary Unions*, Franz Steiner Verlag Stuttgart, 2007.



Youssef Cassis, *Capitals of Capital - A History of International Financial Centers, 1780-2005*, Cambridge: Cambridge University Press, 2006.

PLEASE NOTE: Additional readings and paper topics are available on request.



Assessment rules

Participation on the basis of two written assignments and one oral presentation in class, individual or group work (50%).

Individual exam composed of three/four questions (50%) (minimum grade 8)



Tutorial Sessions

Wednesday (weekly): 3:30-4:30 pm

Local: Office 407 (Miguel Lupi Street)