

TEACHING GUIDE

Course Information	
Full Name	Monetary Policy and Economic Analysis
Code	0000012203
Degree	Master in Finance
Taught in	Master in Finance
Level	Postgraduate Official Master's Degree
Term	1
Credits	4 ECTS
Type	Mandatory
Person in charge	Gonzalo Gomez Bengoechea
Office hours	Continuous availability via email

Professor Information	
Professor	
Name	Gonzalo Gomez Bengoechea
Department / Area	Advantere School of Management
Office	Continuous availability via mail
CV	https://web.comillas.edu/profesor/gonzalo.gomez
Email	g.gomez@advantere.org
Professor	
Name	Elvira Bobillo Carballo
Department / Area	Advantere School of Management
Office	Continuous availability via mail
CV	https://www.linkedin.com/in/elvirabobillo
Email	e.bobillo@advantere.com

SPECIFIC COURSE INFORMATION

Course contextualization

Contribution to the professional profile of the degree

"Monetary Policy and Economic Analysis" is a course that tries to unite monetary policy with the economic reality that underpins the decisions of central banks. The main objective of central banks is to keep inflation stable over the long term. This objective may be complemented by secondary objectives related to employment or economic stability in general. This course will shed light on the main factors behind the rationality of central banks: prices, employment and business cycles. In addition, the relationship of monetary policy with fiscal policy and financial aggregates will be studied.

Country risk assessment is fundamental to international business. This course will also introduce students to the analysis of country and political risk and how they can affect the global activities of companies. It will explain the different aspects of political risk that affect the interests of governments and investors, how risk differs between countries and regions, and how it varies over time. Students will learn different methods for measuring risk and the main tools for its mitigation by applying these techniques to real-world cases and presenting the results of their analysis.

From the methodological point of view, we will work with cases of companies and countries with the latest empirical evidence available. The management and analysis of data will be the main teaching strategy in each class. The student is expected to be highly involved and actively present in each of the work sessions.

Competences– Objectives

Competences

GENERAL

GC2	Critical thinking: Using critical thinking for decision-making and problem-solving in financial management processes	
	RA1	Interpret, analyze, synthesize and evaluate ideas, and do so from a critical point of view
GC3	Teamwork: Apply techniques and methodologies that promote teamwork and mutual collaboration in talent management projects to be carried out with companies and organizations.	
	RA1	Be committed and cooperate in the roles defined for the achievement of the goals related to the tasks, activities, projects and responsibilities defined and assigned.
GC6	Capacity for global and local orientation: Analyze current financial problems, in local and global environment, considering complex economic aspects, cultural, social and ethical factors.	
	RA1	Ability to analyze current problems, in local and global environment, considering complex economic aspects, the cultural factor, social and ethical.

SPECIFIC

CE11	Understand and understand in depth the national and international economic and financial situation, derive scenarios and project them, as well as establish dependency relationships with financial products and decisions.	
	RA1	Knows the different macroeconomic and microeconomic indicators and variables that allow the short-term analysis and short-term evolution of a national economy or the world economy and knows assess the relative importance of the aforementioned indicators in the different economic cycles, as well as prepare reports from them, both developed and developing economies.

THEMES AND CONTENT

Contents-Themes
Monetary Policy and Economic Analysis
Inflation and Monetary Policy
<p>Price indices: CPI, deflators, harmonised indices.</p> <p>Inflation, deflation, stagflation.</p> <p>Variation of relative prices and inflation as a monetary phenomenon.</p> <p>Inflation and central banks.</p>
Monetary Policy and Business Cycles
<p>Phases of the Economic Cycle.</p> <p>Inflation and economic cycles.</p> <p>Monetary policy and business cycles.</p> <p>Hodrick-Prescott: theory and application of filters.</p>
Labor Market and Economic Cycles
<p>Unemployment rate and activity rate.</p> <p>Deseasonalization of employment series.</p> <p>Employment, incomes, consumption and aggregate prices.</p> <p>The end of the Phillips curve.</p>
Fiscal Policy and Monetary Policy
<p>The monetization of the public deficit.</p> <p>Unconventional monetary policies.</p>
Monetary Policy and Exchange Rates
<p>Real exchange rate and nominal exchange rate</p> <p>Internal devaluation processes.</p> <p>Current account balance and monetary policy.</p>
Country analysis
Country Risk and Political Risk
<p>Introduction to country and political risk.</p>

How country risk and political risk affect business and investment decisions.

Types of risks: geopolitical, terrorism, expropriations, breaches of contract, inconvertibility of currencies, impossibility of currency transfers, etc.

Country Risk Measurement

Tools to assess country risk.

Public information sources.

Private sources of information.

Sovereign debt

Analysis of sovereign debt.

Sovereign bond spread.

Credit Default Swaps as a hedge for sovereign bonds.

Methodologies of rating agencies to rate sovereign debt and country risk: Fitch, Moody's, Standard & Poor's, DBRS. Sovereign debt crises and restructurings.

Country Risk Mitigation Instruments.

Products and solutions of multilateral institutions and development banks to invest in emerging markets: IFC, MIGA, EBRD, ADB, IADB, CAF, AfDB, etc.

Official instruments of governments. The role of export credit agencies (ECAs). Political risk insurance from private insurance companies. Assessment and mitigation.

Selection of the best country to invest/export and risk mitigation planning.

TEACHING METHODOLOGY

General methodological course aspects

Presential Methodology: Activities

Cooperative work of students who, in pairs or small groups, are given a task, case or assumption that requires sharing information and resources among members in order to achieve the common goal. Based on the case method, studied by each student and discussed by each group before the individual interventions of each general session.

The case method stimulates inductive learning. From the analysis of concrete examples, the different tools of analysis are built and general rules of application to all types of companies and sectors are induced. Therefore, prior study of the cases and active participation in the discussions of the general sessions is essential.

Exhibitions on your skills and abilities to get a job.

The presentations must be evaluated and critiqued by the rest of the classmates or by the professor in order to go deeper into the course.

Lessons of an expository and participative nature.

Non-presential Methodology: Activities

Individual study.

Individual reading of texts of different types (cases, books, magazines, articles, press, Internet publications, reports on practical experiences, etc.) related to the courses of study.

Cooperative work of students who, in pairs or small groups, receive a task that requires sharing information and resources among members in order to achieve the common goal.

SUMMARY OF STUDENT WORK HOURS

ECTS CREDITS: 4,0 (120,00 hours)

PRESENENTIAL HOURS					
Professor Exposition	Student exhibition. Debates and group dynamics	Exercises and problem solving. Elaboration of applied work	Analysis and documentation	Tutorial sessions	Development of real projects for organizations
8	16	12	0	1	2,5
NON-PRESENENTIAL HOURS					
Professor Exposition	Student exhibition. Debates and group dynamics	Exercises and problem solving. Elaboration of applied work	Analysis and documentation	Tutorial sessions	Development of real projects for organizations
0	0	48	28	1	2,5

EVALUATION AND GRADING CRITERIA

Graded Activities	Evaluation Criteria	% of Total Grade
Assessment of individual or group work carried out by students, some of them presented in class	<ul style="list-style-type: none"> • Work adequacy to the objectives set • On-time delivery • Goal adequacy and focus • Results achieved • Compliance with deadlines • The participation of ALL members of each team in the presentations and elaborations is required 	50
Performance of oral and written examinations, public defenses and multiple-choice tests, concept tests and resolution of practical cases as exams	<ul style="list-style-type: none"> • Throughout the program, exams or written tests will be given to test the solidity of the concepts acquired. • In order to pass the course, the final exams and tests of each section of the course must be passed. If there are several exams in the same section or block of a course, the weighted average of them must be higher than 5.0 as a necessary condition to pass the course. 	30
Participation and utilization of the classes	<ul style="list-style-type: none"> • When we talk about participation, it is clear that both the positive and negative ones are counted and that the quality of participation is as important as the quantity. The students' participation in class, the quality and timeliness of their interventions, the quality in the preparation and presentation of their work, predisposition and commitment, initiative, attendance. 	20

Grades

Notes to the evaluation criteria:

- 1-All students must comply with 100% attendance on the days established for this course. Any absence must be justified.
- 2-The final grade corresponds to the sum of the graded activities, the evaluation criteria and the % of the total grade described in the Evaluation and Grading Criteria section.
- 3-Individual and group work must be submitted on time and in the form specified by the subject's teacher.
- 4-A final grade lower than 5 implies the need to take an extraordinary exam. The final grade for this exam may not exceed the median of the passing grades at the time of the schedule exams.

The evaluation criteria for enrolling in a second year:

The student enrolled in the second-year course must fulfill the individual and group tasks established by the course professor. The same evaluation criteria described in the Evaluation and Grading Criteria section will be maintained.

In circumstances not covered by this Teaching Guide, the Advantere School of Management Regulation and the General Regulation of Comillas will apply.

Health alert criteria:

The student must be permanently identified, in class with an identification poster and remotely with their full name. Students should not change the spaces they occupy in the classroom, until indicated by a professor or the direction of the program.

Failure to comply with any of the health recommendations during the teaching sessions may lead to failure in the course.

In compliance with current regulations regarding the **protection of personal data**, we inform you and remind you that you can consult the aspects related to privacy and data protection that you have accepted in your registration by entering this website and pressing "download".

<https://servicios.upcomillas.es/sedelectronica/inicio.aspx?csv=02E4557CAA6F4A81663AD10CED66792>

BIBLIOGRAPHIES AND RESOURCES

Basic Bibliographies

Díaz-Giménez, J. (2020). "Macroeconomics for nearly everyone". Edited by Díaz-Giménez, J.

Downloadable from: <https://mpt.javierdiazgimenez.com/>

Howell, Llewellyn, Ph.D. The Handbook of Country and Political Risk Analysis. East Syracuse, New York: The PRS Group, a Division of International Business Communications.

Bremmer, I. and Keat, P. The Fat Tail, (Oxford University Press, 2009)

Additional Bibliographies

- Press: The Economist, Financial Times, Wall Street Journal.
- Databases: International Monetary Fund, World Bank, OECD, Eurostat, National Central Banks, Ministries of National Economy and Finance, National Statistical Offices, Thomson Eikon, International Labor Organization, Bank of International Settlements. Other Public and Private Databases necessary to analyze the economic situation of the different countries analyzed during the Course.
- Academic articles: provided by professors before each class.
- Own computer required in each session.