

Governments, Financial Markets, the Macroeconomy and Environmental Finance

Course Outline

1. General

SCHOOL	School of Finance and Statistics		
ACADEMIC UNIT	Department of Banking and Financial Management		
LEVEL OF STUDIES	Postgraduate Program		
COURSE CODE	MEXΔO105	SEMESTER	2nd
COURSE TITLE	Governments, Financial Markets, the Macroeconomy and Environmental Finance		
INDEPENDENT TEACHING ACTIVITIES	WEEKLY TEACHING HOURS	CREDITS	
Lectures (Total Hours)	39	7,5	
COURSE TYPE:	General Background, Core Course		
PREREQUITE COURSES:	None		
LANGUAGE OF INSTRUCTION and EXAMINATIONS:	Greek		
IS THE COURSE OFFERED TO ERASMUS STUDENTS:	Yes		
COURSE WEBSITE (URL)	https://bankfin.unipi.gr/mathimata/xddom-kyverniseis-makrooikonomia-kai-perivallontiki-xrimatooikonomiki		

2. Learning Outcomes

Learning Outcomes

This course

- presents the overall economic environment in which all major economic actors (households, firms, banks, investors, governments, central banks, regulators) operate,
- describes the major economic forces at work,
- analyses the complex interactions of the macroeconomy with financial markets, governments, central banks and environmental issues,
- explores the risks and opportunities for economic actors from the ever-changing economic, financial and environmental conditions,
- analyzes the incentives and dilemmas of the major actors,
- uses current events in the economy, the financial markets and the natural environment, both domestic and international, as a vehicle to tie the course with the real world.

After completing the course, the students are expected to be able to

- understand economic, financial, and environmental developments,
- read critically the financial and economic press,
- put the right questions to specialized economic analysts and evaluate their responses,
- make economic, financial and environmental analyses that can be used for real-life decisions, and
- see the 'big picture' which will help them with the more advanced courses.
- introduces environmental and social risks for firms and banks and highlights the difficulty of their measurement,
- studies the use of existing –as well as the creation of new– financial markets and products with the aim to efficiently address environmental and social problems,
- describes the risks for banks that do not take sufficiently into account the environmental and social record of the firms they finance,
- analyzes topics like 'green' banking, project finance, 'green' investments, corporate social responsibility and pollution markets,
- explores how banks, and the financial system in general, can contribute towards addressing environmental and social problems,
- analyses the economics of pollution markets,

- uses current economic and financial developments, both domestic and international, and case studies from leading international business schools to tie the course to the real world,
- describes 'green' financial products and their potential contribution towards improving the ESG (Environment, Social, Governance) performance of firms and banks, and related risks and opportunities for banks,
- provides the role and incentives of major players, such as, financial institutions, institutional investors, NGOs and governments,
- describes the risks of banks that provide financial services to firms with weak ESG credentials, the difficulties of measuring ESG performance and the accounting standards under development, the carbon footprint of corporations and institutions, and ways to reduce it,
- describes carbon credits –creation and usage– and related investment opportunities, pollution markets.

General Competences

- Data collection, analysis and synthesis
- Decision-making
- Independent work
- Work in an international environment
- Development of free, creative, and inductive reasoning
- Development of free, creative and inductive reasoning
- Work in an interdisciplinary environment

3. Syllabus

1. Basic macroeconomic variables
 - a. GDP, GNI and components
 - b. External accounts of a country (current account, capital flows account, balance of payments)
 - c. Savings-Investment identity
2. Price indices and inflation
 - a. Inflation dynamics
 - b. Inflation and interest rates – Real interest rate
 - c. Inflation, hyperinflation, deflation
3. The IS/LM model
 - a. Microfoundations with emphasis on the role of the financial system
 - b. Fiscal and monetary policy
 - c. Macroeconomic analyses with emphasis on economic policy and the financial system
 - d. The dynamics of government debt
4. Monetary policy
 - a. Goals, instruments and constraints
 - b. Monetary policy implementation
 - c. Monetary policy and the financial system
5. Nominal and real exchange rates
6. The capital flows account (CF)
 - a. Interest rates and exchange rates – Interest rate parity
 - b. CF determinants
7. The Mundell-Fleming model
 - a. Balance of payments and the domestic economy
 - b. Fiscal and monetary policies under fixed and floating exchange rates
 - c. External disturbances – Economic and financial
 - d. Analyses with hybrid exchange-rate systems
 - e. Currency crises
 - f. Twin crises – Currency and banking
8. Environmental Finance
 - a. Business opportunities with social responsibility
 - b. Introduction to environmental and social risks
 - c. 'Green' banking
 - d. 'Green' investments/projects
9. Corporate social responsibility
 - a. Pollution markets
 - b. 'Green' financial investments
10. Special topics

4. Teaching and Learning Methods - Evaluation

DELIVERY	Face-to-face and distance learning	
USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY	PowerPoint, e-class, Turnitin, MS-Team, Webex etc	
TEACHING METHODS	Activity	Semester Workload
	Lectures	39
	Independent Study	99
	Tutoring	19,5 (1.5 hours/week)
	Project research and write-up	30
	Course Total	187,5
STUDENT PERFORMANCE EVALUATION	<p>Midterm exam: 50%</p> <ul style="list-style-type: none"> Typically, the students are asked to analyse current policy and investment dilemmas. Occasionally, they are asked to comment on a recent article from the financial world. <p>Final project : 50%</p> <p>10% grade bonus, based on class participation.</p>	

5. Attached Bibliography

-Suggested Bibliography

- Governments, Financial markets and the Macroeconomy (2nd Edition) Angelos A. Antzoulatos, DIPLOGRAPHY PUBLISHERS, 2019.

-Related Academic Journals