



Certified International  
Investment Analyst

# Complete Examination Syllabus

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***Key readings can be found in the CIIA reference list.***

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<sup>1</sup> All subjects described in the book are done in an international framework. The book is mostly descriptive, only little mathematics are given.



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<p>7.1.3 Style analysis: application to different asset classes equity</p> <p>7.1.4 Risks, controls and prudential issues: organisational issues</p> <p>7.1.5 Risks, controls and prudential issues: fee structures</p>		<p>Fi</p>



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## **Examination Syllabus**

### **Part 2**

## **Equity Valuation and Analysis**

Equity Markets and Structures  
Understanding the Industry Life Cycle  
Analysing the Industry Sector and its Constituent Companies  
Understanding the Company  
Valuation Model of Common Stock

*Key readings can be found in the CIIA reference list*

Common Knowledge Base	Reference book	
<b>1. Equity Markets and Structures</b>		
<p><b>1.1 Types of equity securities</b></p> <p>1.1.1. Common stock</p> <p>1.1.2. Preferred stock</p> <p>1.1.3. Equity mutual fund shares</p> <p><b>1.2. Indices</b></p>	<p>BKM Ch2, 38-47</p> <p>2.3. Equity securities 38</p> <p>2.4. Stock and bond market indexes 41</p> <p>BKM Ch3, 57-87</p> <p>3.1. How firms issue securities 57</p> <p>3.2. Where securities are traded 62</p> <p>3.3. U.S. securities markets 68</p> <p>3.4. Market structure in other countries 74</p> <p>3.5. Trading costs 76</p> <p>3.6. Buying on margin 78</p> <p>3.7. Short sales 81</p> <p>3.8. Regulations of securities markets 83</p> <p>SAB Ch2, 22-41, Buying and selling securities</p> <p>2.1 Order size 23</p> <p>2.2 Time Limit 23</p> <p>2.3 Types of orders 24</p> <p>2.4 Margin account 25</p> <p>SAB Ch3, 47-76, Security markets</p> <p>3.1 Call and continuous markets 47</p> <p>3.2 Major markets in the US 48</p> <p>3.3 Information-motivated and liquidity-motivated traders 65</p> <p>3.4 Central market 67</p> <p>3.5 Clearing procedures 68</p> <p>3.6 Insurance 69</p> <p>3.7 Commissions 69</p> <p>3.8 Transaction costs 71</p> <p>3.9 Regulation of security markets 74</p> <p>SAB Ch12, Taxes and inflation</p> <p>12.1 Taxes in the United States 305-321</p> <p>SAB Ch16, Common stocks</p> <p>16.1 The corporate form 457-465</p> <p>16.5 Stock quotations 471-474</p> <p>SAB Ch25, International investing</p> <p>25.1 The total investable capital market portfolio 876-880</p> <p>25.3 International listings 888-892</p> <p>SOLNIK Ch. 5, 185 - 224</p> <p>Market differences 186</p> <p>Some statistics 195</p> <p>Some practical aspects 199</p> <p>Execution costs 206</p> <p>Investing in foreign shares listed at home 214</p>	Fo/Fi



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## **Examination Syllabus**

### **Part 3** **Bond Valuation and Analysis**

#### **Financial Markets and Instruments**

Fixed Income: Corporate and Government

#### **Financial Markets and Instruments**

Time Value of Money

Bond Yield Measures

Term Structure of Interest Rates

Bond Price Analysis

Risk Measurement

Credit Risk

#### **Bonds with Warrants**

Investment Characteristics

Value of Warrants

#### **Convertible Bonds**

Investment Characteristics

Value of Conversion Benefits

#### **Callable Bonds**

Investment Characteristics

Valuation and Duration



## **Floating Rate Notes**

Investment Characteristics and Types

Valuation Method

## **Mortgage-Backed Securities**

Types of Mortgages

Types of Securities

Factors Affecting Market Price

Valuation Methodologies

## **Fixed Income Portfolio Management Strategies**

Active Management

Passive Management

Portfolio Construction based on a Factor Model

Computing the Hedge Ratio: the Modified Duration Method

*Key readings can be found in the CIIA reference list.*



<p>2.2.6.1 Market Curves (Observed)  2.2.6.1.1 Yield  2.2.6.1.2 Swaps  2.2.6.1.3 Credit  2.2.6.2 Theoretical Curves (Imputed)  2.2.6.2.1 Term Structures  2.2.6.2.2 Parametric modelling</p>	<p>securities  5.2 Yield-to-maturity 112  5.3 Spot rates 114  5.4 Discount factors 115  5.5 Forward rates 116  5.6 Forward rates and discount factors 118</p>	
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<b>7.4 Valuation methodologies</b> 7.4.1 Static cash flow yield methodology 7.4.2 Prepayment model	FAB Ch18, 407, Analysis of residential mortgage-backed securities	Fi
<b>8 Fixed income portfolio management strategies</b> <b>8.1 Active management</b> 8.1.1 Interest rate anticipation strategies 8.1.2 Yield spread analysis 8.1.3 Maturity spacing strategies	FAB Ch22, 510-546, Active bond portfolio management strategies Active portfolio strategies 522-539  BKM Ch16, Managing bond portfolios 16.4 Active bond management 552-555	Fo/Fi
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<b>8.4 Computing the hedge ratio: the modified duration method</b>		Fi



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## **Examination Syllabus**

### **Part 4 Derivative Valuation and Analysis**

#### **Financial Markets and Instruments**

Derivatives Markets

Futures Markets

Related Markets

#### **Analysis of Derivative and Other Products**

Futures

Options

Asset-backed Securities

*Key readings can be found in the CIIA reference list.*



Common Knowledge Base	Reference books	
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## **Examination Syllabus**

### **Part 5 Corporate Finance**

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The Finance Function and the Firm's Objectives

Role of Financial Managers

Principles of Valuation

Discounted Cash Flows

Capital Budgeting

#### **Long-Term Finance Decision**

Investment Decision

Project Evaluation

Liquidation and Reorganisation

#### **Short-Term Finance Decision**

Short-Term Financing

Cash Management

Short-Term Lending and Borrowing

## **Capital Structure and Dividend Policy**

Leverage and the Value of the Firm

Dividend Policy

## **Mergers and Acquisitions**

Valuation Issues

Forms of Acquisitions

Strategies for the Acquirer

Defensive Strategies

## **International Corporate Finance**

International Capital Budgeting for Multinational Firm

Asset and Project Finance

***Key readings can be found in the CIIA reference list..***



	Rosenburg & Rudd: The corporate uses of beta (in JS & DC) Kothari & Shanken: In defence of beta (in JS & DC)	
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### **Part 6**

# **Financial Accounting and Financial Statement Analysis**

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Business Activities and Principal Financial Statements  
Financial Reporting Issues

#### **Framework for the Preparation and Presentation of Financial Statements**

#### **Statement of Cash Flows**

Rationale for the Statement of Cash Flows  
Relation between Income Flows and Cash Flows

#### **Generally Accepted Accounting Principles: Income Recognition**

Accrual Basis

#### **Generally Accepted Accounting Principles: Assets, Liabilities and Shareholders Equities**

Assets: Recognition, Valuation and Classification  
Liabilities  
Shareholders' Equities

## **Business Combination**

Mergers and Acquisitions  
Consolidated Financial Statements

## **Foreign Currency Transactions**

Foreign Currency Transaction  
Financial Statements of Foreign Operations

## **Financial Reporting and Financial Statement Analysis**

Income Flow vs Cash Flow  
Quality of Earning, Earnings Management  
Earnings per Share  
Segment Reporting  
Interim Financial Statements

## **Analytical Tools for Gaining Financial Statement Insights**

Balance Sheet  
Income Statement

## **Analytical Tools for Assessing Profitability and Risk**

Profitability Analysis  
Risk Analysis  
Break-even Analysis  
Pro Forma Financial Statements

*Key readings can be found in the CIIA reference list.*



Common Knowledge Base	Reference books	
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<b>4.1. Criteria for revenues recognition</b> 4.1.1 Sales of goods 4.1.2 Rendering of services <b>4.2 Measurement of revenues</b> <b>4.3 Construction contracts</b> 4.3.1 Percentage of completion method 4.3.2 Completed contract method <b>4.4 Accounting for stock – options and similar benefits</b> 4.4.1 Classification of share-based payments 4.4.2 Equity – settled share-based payments 4.4.3 Cash-settled share-based payments	IAS 18 ABJ-Chapter 17 PHB – Chapter 6  IAS 11 ABJ – Chapter 15  IFRS 2	Fo/Fi
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<b>5.1 Assets</b> 5.1.1 Property, plant and equipment 5.1.1.1 Measurement at cost 5.1.1.2 Measurement at fair value 5.1.2. Investment property 5.1.2.1 Measurement at cost 5.1.2.2 Measurement at fair value	PHB – Chapter 4 IAS 16  ABJ-Chapter 12  IAS 40 ABJ – Chapter 12	Fo/Fi

5.1.3 Intangible assets 5.1.3.1 Criteria for recognition 5.1.3.2 Accounting for research and development costs	IAS 38 ABJ-Chapter 13	Fo/Fi
5.1.4 Inventories 5.1.4.1 Measurement 5.1.4.2 Cost formulas(FIFO, LIFO, weighted average Cost) 5.1.5 Financial instruments 5.1.5.1 Classification 5.1.5.2 Measurement at fair value 5.1.5.3 Measurement at amortized cost 5.1.5.4 Hedge accounting 5.1.6 Impairment of assets 5.1.6.1 Measuring the recoverable amount 5.1.6.2 Impairment tests	IAS 2 ABJ – Chapter 15  IAS 32 IAS39 ABJ – Chapter 16  IAS 36 ABJ – Chapter 13	Fo/Fi
<b>5.2 Liabilities</b> 5.2.1 Bonds 5.2.1.1 Accounting for bond discounts/premiums 5.2.2 Hybrid securities 5.2.2.1 Convertible debt securities 5.2.2.2 Debt issues with detachable warrants	PHB – Chapter 5 IAS 39	Fo/Fi
5.2.3 Leases 5.2.3.1 Operating leases 5.2.3.2 Finance leases	IAS 17 ABJ – Chapter 14	Fi
5.2.4 Borrowing costs 5.2.4.1 Conditions for capitalization 5.2.4.2 Costs that may be capitalized	IAS 23 ABJ – Chapter 12	Fi
5.2.5 Retirement benefits 5.2.5.1 Pensions 5.2.5.2 Post-retirement benefits other than pensions	IAS 19 ABJ – Chapter 20	Fo/Fi
5.2.6 Income Taxes 5.2.6.1 Temporary differences 5.2.6.2 Deferred taxes 5.2.7 Provisions 5.2.7.1 Conditions for the recognition of provisions 5.2.7.2 Contingent liabilities	IAS 12 ABJ – Chapter 19  IAS 37 ABJ – Chapter 18	Fo/Fi
<b>5.3 Shareholders' Equities</b> 5.3.1 Issuance of capital stock 5.3.2 Acquisition and reissue of treasury stock 5.3.3 Cash, property and stock dividends 5.3.4 Accounting 5.3.5 Other changes in retained earnings	IAS 32 IAS 39	Fo/Fi

<b>6.</b>	<b>Business combination</b>		
<b>6.1</b>	<b>Mergers and acquisitions</b>		Fi
6.1.1	Acquisitions	IFRS 3	
6.1.1.1	Asset valuation in acquisitions	PHB – Chapter 15	
6.1.1.2	Accounting for goodwill		
6.1.2	Mergers		Fi
6.1.2.1	Pooling of interests method		
6.1.2.2	Purchase method		
<b>6.2</b>	<b>Consolidated financial statements</b>		Fi
6.2.1	The scope of consolidation	IAS 27	
6.2.2	Consolidation methods	IAS 28	
6.2.3	The difference arising from consolidation	IAS 31	
6.2.4	Uses of each method	IFRS 3	
6.2.5	The consolidation procedure	IAS 36	
6.2.6	Analysis of the difference arising from initial consolidation	ABJ – Chapter 24 & 13	
6.2.7	Impairment of goodwill		
<b>7.</b>	<b>Foreign currency transactions</b>		
<b>7.1</b>	<b>Foreign currency transactions</b>		Fo/Fi
7.1.1	Initial recognition	IAS 21	
7.1.2	Reporting at subsequent B/S daily	ABJ – Chapter 25	
7.1.3	Recognition of exchange differences		
<b>7.2</b>	<b>Translation of financial statements of foreign operations</b>		
7.2.1	Classification of foreign operations		
7.2.2	Translation to the presentation currency	IAS 21 ABJ – Chapter 25	
<b>8.</b>	<b>Financial reporting and financial statement analysis</b>		
<b>8.1</b>	<b>Income vs. cash flows</b>		Fo/Fi
8.1.1	Relation between net income and cash flows from operating activities	WSF Ch4 139-198, Foundations of ratio and financial analysis	
8.1.2	Net income and cash flows in various stages of life cycle		
<b>8.2</b>	<b>Quality of earnings, earnings management</b>		
8.2.1	Data issues in analyzing financial statements	ABJ – Chapter 23	
8.2.1.1	Non-recurring income items	PENMAN - Chapter 18	
8.2.1.2	Income, gains and losses from discontinued operations	PHB – Chapter 3	
8.2.2	Accounting changes		
8.2.2.1	Changes in accounting estimates		
8.2.2.2	Changes in accounting policies		
8.3.2.3	Adjustments to prior financial statements	IAS 8 ABJ – Chapter 23	Fi
<b>8.3</b>	<b>Earning per share</b>		Fo/Fi
8.3.1	Basic earnings per share	IAS 33 ABJ – Chapter 23	

8.3.2	Diluted earnings per share		
8.3.3	Using EPS to value firms		
8.3.4	Criticisms of EPS		
<b>8.4</b>	<b>Segment reporting</b>	IAS 14 ABJ – Chapter 23	Fi
8.4.1	Definition		
8.4.1.1	Industry segments		
8.4.1.2	Geographical segments		
8.4.2	Disclosure requirements		
8.4.3	Using segment information		
<b>8.5</b>	<b>Interim financial statements</b>		Fi
<b>9.</b>	<b>Analytical tools for gaining financial statements insights</b>		
<b>9.1</b>	<b>Balance sheets</b>	WSF Ch 4	Fi
9.1.1	Common size analysis	Common-size statements 144 - 149	
9.1.2	Time series analysis		
<b>9.2</b>	<b>Income statement</b>	REES Ch4 117-147, Time-series analysis and forecasting	
9.2.1	Common size analysis		
9.2.2	Time series analysis		
<b>10.</b>	<b>Analytical tools for assessing profitability and risk</b>	WSF Ch 4, 150 – 198 Foundation of Ratio and Financial Analysis  REES, Ch3 p.83-114: Ratio analysis methods and issues	
<b>10.1</b>	<b>Profitability analysis</b>	WSF Ch4, Profitability analysis 165 – 172	Fo/Fi
10.1.1	ROA	ROA 166 – 167, 182 – 190	
10.1.1.1	Desegregation of ROA	Desegregation 183 – 184	
10.1.1.2	Interpreting ROA		
10.1.2	ROCE	ROCE 167 – 168, 182 – 190	Fo/Fi
10.1.2.1	Relating ROA to ROCE	Relating 184 – 186	
10.1.2.2	Desegregating ROCE	Desegregation 184 - 186	
<b>10.2</b>	<b>Risk Analysis</b>	WSF Ch. 4, p. 158 – 160 Working capital ratios	Fo/Fi
10.2.1	Short term liquidity risk		
10.2.1.1	Current ratio		
10.2.1.2	Quick ratio		
10.2.1.3	Operating cash flow to current liabilities	WSF Ch18 p983-1025: Accounting- and finance-based measures of risk	
10.2.1.4	Working capital activity ratio		
10.2.1.5	Operating cash flow to cash interest cost		
10.2.2	Long term solvency risk	WSF Ch. 4, p. 160 – 165 Long term debt and solvency analysis	Fo/Fi
10.2.2.1	Debt ratio		
10.2.2.2	Interest coverage ratio		
10.2.2.3	Operating cash flow to total liabilities		
10.2.2.4	Operating cash flow to capital expenditure		
10.2.3	Financial distress risk	WFS Ch18 p992-1000, The prediction of bankruptcy	Fi
10.2.3.1	Univariate analysis	Univariate models 993	
10.2.3.2	Multiple discriminant analysis	Multivariate models 994	
		REES Ch9 p291-317: Corporate failure prediction and credit evaluation	
<b>10.3</b>	<b>Break even analysis</b>	BM, p 234-248	Fi
<b>10.4</b>	<b>Pro format financial statements</b>	BENNINGA & SARIG, (1997), Corporate Finance, Ch4 p109-131	Fi
10.4.1	Steps in preparing pro format financial statements		

10.4.2 Conditions when common size percentage, growth rates, and turnover provide the best projections of financial statements amounts		
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Certified International  
Investment Analyst

## Examination Syllabus

### Part 7 Economics

#### Macroeconomics

Measuring National Income and Price  
Equilibrium in the Real Market  
Equilibrium in the Money Market  
Equilibrium in Economy and Aggregate Demand  
Aggregate Supply and Determination of Price of Goods/Services

#### Macro Dynamics

Inflation  
Economic Growth  
Business Cycles

#### International Economy and Foreign Exchange Market

Open Macroeconomics  
Foreign Exchange Rate  
Central Bank and Monetary Policy

*Key readings can be found in the CIIA reference list.*

Common Knowledge Base	Reference books	
<p><b>1. Macroeconomics</b></p>		
<p><b>1.1 Measuring national income and price</b>            1.1.1 National income accounting            1.1.1.1 Concept of national income</p>	<p><i>Blanchard</i>, Ch2, 22-28: Aggregate Output 28-34: The other macroeconomic variables. 40-41: Appendix 1, The construction of real GDP.</p> <p><i>Blanchard</i>, Ch3, 46-48: The Composition of GDP.</p> <p><i>Blanchard</i>, Ch 19, 413-415: Saving, Investment and trade balance.</p> <p><i>Blanchard</i>, A-1 to A-5, Appendix 1: An Introduction to National Income and Product Accounts.</p> <p><i>Mankiw</i>, Ch2, 17-30: Measuring the value of economic activity: Gross Domestic Product. 30-33: Measuring the cost of living: The consumer price index.</p> <p><i>Mankiw</i>, Ch4, 91-94: Inflation and interest rates.</p> <p><i>Mankiw</i>, Ch5, 116-120: The international flows of capital and goods.</p> <p><i>Krugman and Obstfeld</i>, Ch12 295-298: The National Income Accounts.</p>	<p>Fo/Fi</p>
<p><b>1.2 Equilibrium in the real market</b>            1.2.1 Consumption            1.2.1.1 Consumption function            1.2.2 Investment            1.2.2.1 Investment function            1.2.3 Government expenditure            1.2.3.1 Government revenue and expenditure            1.2.3.2 Effect of government expenditure and tax on national income            1.2.3.3 Government expenditure and crowding-out effect            1.2.4 Equilibrium relationship in the good/service market: IS curve</p>	<p><i>Blanchard</i>, Ch3, 48-50: The demand of goods.            50-56: The determination of equilibrium output.            58-56: Investment equals saving.</p> <p><i>Blanchard</i>, Ch5 90-94: The goods market and the IS relation.</p> <p><i>Mankiw</i>, Ch16, 457-461: John Maynard Keynes and the Consumption function.  <i>Mankiw</i> Ch17, 487-496: Business fixed Investment.  <i>Mankiw</i>, Ch3, 59-71: What determines the demand for goods and services? What brings the supply and demand for goods and services into equilibrium?  <i>Mankiw</i>, Ch10, 280-292: The goods market and the IS curve.</p> <p><i>Dornbusch, R., Fischer, s., Startz, R.:</i> Ch11, 279-284: Fiscal Policy and crowding out effect.</p>	<p>Fo/Fi</p>



<p><b>1.3 Equilibrium in the money market</b>  1.3.1 Demand for money  1.3.2 Equilibrium relationship in the monetary market: LM curve</p>	<p><i>Blanchard</i>, Ch4, 66-69: The demand for money.  69-73: The determination of interest rate (I).  <i>Blanchard</i>, Ch5, 94-98: Financial markets and the LM relation. 98-103: Putting IS and LM together. 103-107: Using policy mix  Mankiw Ch4, 77-87, What is money? The Quantity theory of money. 95-101: The nominal interest rate and the demand for money.  Mankiw, Ch10, 292-300: The short run equilibrium.  Mankiw, Ch11, 303-311: Explaining fluctuations with the IS-LM model.</p>	<p>Fo/Fi</p>
<p><b>1.4 Equilibrium in economy and aggregate demand</b>  1.4.1 Aggregate demand</p>	<p><i>Blanchard</i>, Ch7, 142-145: Aggregate demand.  Mankiw, Ch9, 259-265: Aggregate demand. 271 shocks to aggregate demand. 329-332: The Great Depression. Appendix.</p>	<p>Fo/Fi</p>
<p><b>1.5 Aggregate supply and determination of price of goods/service</b>  1.5.1 Aggregate supply</p>	<p><i>Blanchard</i>, Ch6, 128-129, Price determination. 129-133: The natural rate of unemployment.  <i>Blanchard</i>, Ch7, 140-142: Aggregate Supply. 145-148: Equilibrium in the short run. 148-151: The effects of monetary expansion. 151-155: A decreased in budget deficit. 159-160: Conclusions.  Mankiw, Ch9, 265-270: Aggregate supply. 272: shocks to aggregate supply.</p>	
<p><b>2. Macro Dynamics</b></p>		
<p><b>2.1 Inflation</b>  2.1.1 Unemployment and inflation rate  3.1.2.2 Tradeoff between unemployment and inflation  3.1.2.3 Natural rate of unemployment hypothesis and expected inflation</p>	<p><i>Blanchard</i>, Ch8, 166-167: Inflation, expected inflation and unemployment. 167-173: The Phillips Curve.  Mankiw, Ch 13, 385-395: Inflation, unemployment and the Phillips curve.</p>	<p>Fo/Fi</p>



	<p>aggregate demand in an open economy. 437-438: The equation of aggregate demand. 438-445: Output market equilibrium in the short run: the DD schedule. 445-448: Asset Market equilibrium in the short run: the AA schedule 448-450: Short run equilibrium from and open economy: putting the DD and AA schedules together. 450-454: Temporary changes in monetary and fiscal policy. 456-460: Permanent Shifts in monetary and fiscal policy. 464-465: The J-Curve.</p> <p>Mankiw, Ch.5, 116-121: The international flows of capital and goods.</p>	
<p><b>3.2 Foreign exchange rate</b>  3.2.1 Determinants of exchange rate in the long-run  3.2.1.1 Concept of foreign exchange rate  3.1.1.2 Price and foreign exchange rate  3.2.1.3 Interest rate and foreign exchange rate  3.2.2 Determination of foreign exchange rates  3.2.2.1 Monetary approach  3.2.2.2 Asset approach  3.2.2.3 Overshooting model  3.2.2.4 Portfolio balance approach  3.2.3 Government intervention and foreign exchange policy  3.2.3.1 Government intervention  3.2.3.2 Foreign exchange rate and foreign exchange policy in local market  3.2.4 Foreign exchange risk and risk management  3.2.4.1 Risk hedging with currency derivatives  3.2.4.2 Growth of currency derivatives markets  3.2.5 Historical movement and forecasting of foreign exchange rate  3.2.5.1 Historical analysis of foreign exchange rate  3.2.5.2 Forecasting of foreign exchange rate  3.2.5.3 Impact of foreign exchange rate change on security prices</p>	<p><i>Blanchard</i>, Ch 18, 378-384; 387-391: Nominal exchange rate. From nominal to real exchange rate. From bilateral to multilateral exchange rates. The choice between domestic and foreign assets.</p> <p><i>Blanchard</i>, Ch.20, 424-426: Domestic bonds versus foreign bonds. 429-435: Fixed exchange rate.</p> <p><i>Blanchard</i>, Ch21, 454-459: Choosing between exchange rate regimes. 449-454: Exchange rate movements under flexible exchange rates.</p> <p>KO. Ch.13, 328-334: The foreign exchange market. 334-341: The demand for foreign currency assets. 341-346: Equilibrium in the foreign exchange market. 346-359: Interest rates, expectations and equilibrium.</p> <p>KO. Ch 14, 373-378: Money, the price level and the Exchange rate in the long run. 378-384: Inflation and exchange rate dynamics.</p> <p>KO. Ch15, 389: The law of one price. 389-395: Purchasing Power Parity. 400-404: Empirical evidence on PPP and the Law of one price. 404-409: Explaining the problems with PPP.</p> <p>KO. Ch. 17, 482-490: How the central bank fixes the exchange rate.</p> <p><i>Solnik</i>, Ch. 2, 35-51: Foreign Exchange Parity Relations.</p> <p><i>Solnik</i>, Ch.3, 59-74: Foreign Exchange Determination.</p> <p>Mankiw, Ch.5, 131-134; 139-145: Exchange-rate regime.</p>	<p>Fo/Fi</p> <p>Fi</p> <p>Fo/Fi</p>

<p><b>3.3 Central bank and monetary policy</b></p> <p>3.3.1 Monetary policy</p> <p>3.3.1.1 Target of monetary policy</p> <p>3.3.1.2 Instruments of monetary policy</p> <p>3.3.2 Transmission effect of monetary policy on real economy</p> <p>3.3.3 Central bank operations in major countries</p> <p>3.3.4 Effect of monetary policy on security markets</p>	<p>Blanchard, Ch.25, 542-543: The unsuccessful search for the right monetary aggregate. 545-549: The Fed in action.</p> <p>KO Ch18, 533-537: Macroeconomic policy goals in an open economy. 537-543: International macroeconomic policy under the Gold Standard, 1870-1914. 543-546: The Interwar years, 1918-1939. 546-549: The Bretton Woods System and the International Monetary Fund. 549-551: Internal and external balance under the Bretton Wood System.</p> <p>KO Ch.19, 568-573: The case for floating exchange rates. 573-582: The case against floating exchange rates. 573-582: , The case against floating exchange rates. 582-583: Macroeconomic interdependence under a floating rate.</p> <p><i>Mankiw</i>, Ch12, 356-372: The open economy revisited: The Mundell-Fleming model and the Exchange-rate regime.</p> <p><b>Mankiw</b>, Ch.10, 510-517, Money supply.</p> <p><i>Dornbusch, R., Fischer, S., Startz, R.</i>, Ch.16, 411-433: The Fed, money and credit.</p>	<p>Fi</p>
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*Note: Suggested bibliography in italic letters.*