BA7020: International Money & Finance Group Report 2022

William Forbes. February 7, 2022

# The Group report question.

In a group of 2/3 write a 2,000 word report on the effect of globalisation of two nation states of your choosing by **Monday April 13th**. One country should be one of the “big 4”, China, India, the US and the European Union and one should not. So China and Japan , Iran and the US, the UK and the EU, for example. How has trade influenced the relationship between the two States and their economic development?

# Part A, Accounting for 20% of mark awarded.

Provide a broader discussion of how the bilateral relationship you choose currently operates as a trading relationship. Address key aspects including:

**financial conditions** , reflected in net exchange rates, interest rates, spot and forward ex- change rates, foreign direct investment, movements in official reserves, the relative proportion of each nation’s bonds and stocks, etc in domestic investors’ portfolios.

**economic conditions** , reflected in relative movements in the three sections of the bal- ance of payments and savings and investment, exports and imports.

**social & political conditions** , reflected in government policies, political lobbying, party platforms, immigration, signs of economic inequality, distress.

# Part B. Accounting for 20% of mark awarded.

Examine the relative price level movements and inflation rates in your two chosen States and draw implications for the exchange rate between the two states. Have ex- change rate movements obeyed that implied by purchasing power parity and relative purchasing parity? If so how? If not why not?

# Part C. Accounting for 20% of mark awarded.

How have relative movements in interest rates in your two chosen states affected the exchange rate set between them. Have exchange rate movements followed that implied by covered/uncovered interest rate parity? If so, how so? If not, why not?

# Part D. Accounting for 20% of mark awarded.

Having considered the pattern of globalisation as experienced by your chosen nations give some advice to both nations on how the discontents or tensions, that the trading re- lation brings can be managed *bilaterally*, or as part of a broader multilateral relationship, like the GATT, WTO, the North American Free Trade Agreement (NAFTA), etc.

Give guidance to your two States representatives in easing, maybe even reducing, these tensions over time. How can they have the benefits of global engagement without being overwhelmed by unacceptable costs?

For example in the US Presidential candidates seem to compete in saying nasty things about China. President Erdogan makes ever more angry speeches about the EU. Why are these men so upset? We might ask how these global imbalances might be balanced to deter economic conflict, tarrifs, confiscation by the State, or even worse military conflict? How have multinational bodies, the EU, UN, IMF, World Bank, etc, tried to monitor these conflicts?

*A remaining 20% of the marks will be awarded for the presentation, analysis of data, ref- erencing/sourcing of academic/research materials. The more like a professional briefing, a good consultant/or Ministerial aide would present, the higher this part of your mark will be. So think about how best to present your arguments, simply, convicingly, as well as what those arguments are.*

*Remember often arguments are won/lost on rhetoric, by the mode of argumentation, rather*

*than the pure substance of the arguments given. Ideally one presents strong arguments, strongly, intuitively in a way your reader can easily grasp the power, correctness, of your views.*

# ASSESSMENT CRITERIA.

A general guide of this University’s grade criteria for Level 7 can be found in:

<http://www.kingston.ac.uk/aboutkingstonuniversity/howtheuniversityworks/policiesandre> documents/University\_Grade\_Criteria.pdf

# DATA SOURCES.

You can access IMF Balance of Payments (IMF-BOPS data) from UKDS.Stat

https://stats.ukdataservice.ac.uk/. https://stats.oecd.org/ https://[www.bankofengland.co.uk/statistics](http://www.bankofengland.co.uk/statistics) https://ec.europa.eu/eurostat/data/database

https://[www.wto.org/english/tratop\_e/covid19\_e/covid\_reports\_e.htm](http://www.wto.org/english/tratop_e/covid19_e/covid_reports_e.htm)

On the cover page of the assignment please include the Kingston University numbers of the group members (not the names). Only one member from each group will submit the final work. Your report should show that:

* + There is an excellent understanding of all aspects of the report.
  + The answers are complete and convincingly argued and free from any errors of fact or argument.
  + All major sources are clearly referenced, well summarised and integrated in your discussion. Don’t simply mention what other studies find, but incorporate their findings in your discussion/analysis.
  + Clear signs of critical intelligence and independent judgement. There must be clear evidence of critical comment.
  + Excellent use of relevant statistics (graphs, tables, descriptive statistics etc.) to illus- trate and articulate your arguments.
  + The statistics should be intelligently used to support/contradict your arguments and to explain the past/current economic developments.
  + An excellent bibliography (for example, use finance/economics textbooks and a wide range of journal articles). Use Harvard style referencing.The layout of the report is completely clear and concise, and your writing has a good flow.
  + The presentation of the information shows some originality in approach.
  + Your discussion should avoid quoting long passages taken directly from other sources. It is your ability to analyse the balance of payments data I am marking and it is your analytical skills the marker is assessing.
  + Evidence of great efforts on research and study. Critically analyse previous studies and the results of your data analysis.
  + The tables and graphs need to be clear and meaningful and well integrated in your analysis. When you add something in your report the most important thing that you should think of is what do I want to achieve with that?
  + The report must have a clear structure with conclusions drawn. The layout of the report should be generally clear and concise. The information contained must be well understood. Intelligent presentation of source material is required.
  + Students should demonstrate familiarity with academic and practitioner relevant literature. It is especially appreciated if students can link the theme of the essay to current debates or a recent piece of news (e.g. from Financial Times, Harvard Business Review, The Economist etc.).
  + The starting point of the essay should be some kind of question or puzzle related to “real-world” international finance issues.

Also make sure to avoid:

* + substantial misunderstandings of the material covered.
  + serious errors of fact and judgement.
  + unclear citing of sources
  + your opinion is not a fact without supporting evidence.
  + a confused summary of material from the sources used.
  + a lack of structure and poor synthesis of source material.
  + Inadequate bibliography. Lecture notes and untrustworthy internet sources are not a valid reference. Your references should be of academic value (textbooks and scientific journals.

Compliance with these required aspects of the group report will affect how much of the additional 20%, awarded for the report’s general strength, you get. Another consid- eration will be the technical competence, strength and variety of the report’s economic, financial analysis.

In your report you should avoid plagiarism.

The University has written a guide to help you understand what it is and give advice on how to avoid it. View the guide by going to the following link: http://www.kingston.

ac.uk/aboutkingstonuniversity/howtheuniversityworks/policiesandregulations/documents/ Plagiarism\_\%20Student.pdf

BLASC ( Business Academic Skills Centre): is a year round provision, based on the first floor of the Nightingale Centre (LRC) and is staffed by Business School staff, PhD and level 6 students. It runs on a drop-in basis, Mondays to Fridays during term time and on an appointment basis at other times. It offers:

* + One to one feedback on students’ draft assignments
  + ’BLASC in the class’: members of the BLASC team work with students on their draft assignments in class.
  + One off sessions on academic writing, tailored to business students at all levels.
  + A dedicated Business Academic Skills (Canvas) site which aims to cover all the basics in a series of clear, concise pages in user friendly language, e.g. word count, report structure, the executive summary. https://canvas.kingston.ac.uk/courses/7438

**3.1** *Marking Guidelines.*

**Distinction 70%+** , Construct appropriate economic-finance arguments and reason ana- lytically. Critically consider arguments. Exercise informed and independent thought when analysing the economic data. Show a wide breadth of theoretical and empir- ical knowledge. Sources used with discrimination-Sophisticated use of examples A wide range of sources consulted -Evidence of a sound discussion of the literature relevant to the study Original and creative selection and presentation of data Ex- cellent analysis of key concepts and data demonstrating independence of thought, originality, and a high level of intellectual rigour and consistency Conclusion ad- vances debates -Extensive evidence of the ability to critically evaluate the main findings Excellent typography and layout -Lucid expressions -Sophisticated vocab- ulary -Excellent citation and bibliography norms

**Very Good 60%-69%** , Overall, the criteria above (under distinction) will be very good rather than excellent. Your work demonstrates a well-developed critical and com- prehensive understanding of the topic. It shows evidence that you have thor- oughly researched the topic(s) and are able to construct an independent, logical argument or evaluation. Well selected range of sources consulted -Evidence of a Comprehensive review of the literature relevant to the study -Appropriate exam- ples Well–researched selection of data; appropriate use of data, very good under- standing of the main concepts and topics Appropriate presentation of data. Good analysis of key concepts; links concepts/theories with data and empirical analysis; well-structured and analytical discussion of literature and data Clear conclusions

-satisfactory evidence of the ability to critically evaluate the main findings Good ty- pography and layout-Few errors of grammar -Well–structured - Accurate and full citation and bibliography

**Good 50%-59%** , Overall, the criteria above will be regarded as average rather than very good. Evidence of a satisfactory level of analysis and of use of appropriate sources/techniques/data -Satisfactory knowledge of key concepts, descriptive in parts but some ability to synthesize scholarship and argument. Evidence of appro- priate but standard range of data consulted; logical development of arguments but incomplete. A range of sources consulted - Indication of a satisfactory review of the literature relevant to the study but with some evident gaps and omissions - Limited range of examples sometimes inappropriate ones

At times the expression and structure of your work is not clear and you have not

consistently followed good academic practice (citation and referencing; presenta- tion format; clear, accurate English).

**Fail** *<* 50**%** , Your work contains some weaknesses. It provides some evidence that you have understood the topic and that you are able structure arguments or evaluation. Your work demonstrates some ability in the appropriate use of literature, theory, methodologies, practices or tools but not at Masters level. Your work fails to ad- dress one or more criteria fully. Your practical works shows that your technical skills are not always adequate for you to complete work at this level. There is little evidence of a professional approach to your work. Your creative work sticks only to familiar ideas and you have not explored any new territory. Incomplete grasp of material Extended poor academic practice

# WORD LIMIT.

Your group report should not exceed 2,000 words in length.

# SUBMISSION DATE.

Monday April 13th 5pm.