

FAKULTÄT für Wirtschaft und Recht

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ECO5032 European Financial Markets**Winter Semester 2016****“Options and Challenges to stabilize European Financial Markets”****Topics for Seminar Papers:**

1. The new *European Stability Architecture* after 2010
2. The restructuring of the financial system in United Kingdom after BREXIT
3. Can central bank independence be maintained during the current financial and political crisis?
4. Quantitative Easing (QE): New Keynesian wine in old bottles?
5. Helicopter money and negative interest rates: Can they improve economic growth in Eastern Europe?
6. The *European Banking Union*: Common rules for European banks?
7. Institutional setting of Eurobonds: Can they stabilize the current financial crisis?
8. The evolution of BITCOIN: Options, challenges and risks
9. Parallel currencies in Eastern Europe: Will the Euro replace local currencies?
10. Costs and benefits of a Greek exit (“Grexit”) out of the Euro zone

This seminar includes introductory lectures by Prof. Dr. Dirk Wentzel, class room presentations days by the students about their research paper and a field trip to Frankfurt to visit the European Central Bank and the “Deutsche Börse” plus a sightseeing tour of Frankfurt, guided by Professor Wentzel.

Class Assignment, Readings and Requirements:

- This class addresses advanced students only (MBA, IMEP).
- Class participation is limited to 20 students.
- Students have to build teams with two persons per topic.
- A regular attendance and fair cooperation in team meetings and in classroom is mandatory.
- **Field trip to European Central Bank, Frankfurt (exact day tba)**
- The workload includes regular team meetings, **one ppt-presentation (30 minutes)** and at least one meeting with Professor Wentzel.
- Students should study in the library and use academic and political sources from the Internet.
- Students should also contact European institutions for detailed information.

Course contributions to the MBA program goals / learning outcomes

	Program Goal /Learning Outcome	Course Contributions to Learning Outcome	Assessment
1.	<p>Knowledge of business functions and processes as well as methods and models</p> <p>Through their master thesis, students demonstrate their well-founded knowledge of business functions and processes as well as of the relevant tools.</p>	Knowledge of European financial markets, financial market theories, behavioral finance, institutions of financial supervision, financial crises, regulatory options	Participation in class and during field trip to ECB, presentation, case study
2.	<p>Analytical competence, critical thinking and creative problem solving</p> <p>Students demonstrate analytical competence and problem solving skills.</p>	Apply knowledge of case studies in European financial markets	Presentation, case study, project results
3.	<p>Leadership and team competence</p> <p>3.1 Students demonstrate social competence of being able to co-operate effectively in a team in order to achieve their aims.</p> <p>3.2 Students demonstrate that they possess leadership competencies required for leading complex projects.</p>		
4.	<p>Mastery of challenges of global and European integration</p> <p>Students demonstrate that they are able to examine and assess the challenges of European and global integration. They also demonstrate that they are able to recognize and assess intercultural challenges and make suggestions how to deal with them effectively.</p>	Seminar on expert level deals with current issues of European financial markets after the crash, regulation issues and policy options.	Presentation, case study, project results

5.	<p>Mastery of the challenges of global sustainability</p> <p>Students have basic knowledge of sustainability and are able to examine issues of global sustainability and their causes as well as develop strategies for sustainability.</p>	Understanding of the functioning of financial markets, fiscal policy and instruments; performance of currencies,	
6.	<p>Innovation management</p> <p>Students are able to identify innovation potential for a given case and develop complex technological strategies.</p>		
7.1	<p>Communication skills</p> <p>Students demonstrate that they are able to express complex matters on scientific basis.</p>		
7.2	<p>Students demonstrate their oral communication skills.</p>		
8.	<p>Ethical awareness</p> <p>Students are able to develop strategies for solutions and communication based on company ethics and are able to apply them to typical decision making problems</p>	Development and presentation of case studies of European institutions and policy factors.	Presentation, case study, project results

Main course topics:

- BREXIT and the possible outcome
- Financial regulation, government bonds
- Stock exchanges and financial markets in Europe
- Financial crisis 2008, 2010, 2011, 2014: Discussion of the reasons and possible solutions
- Current suggestions from the political sector (fiscal compact)
- Quantitative Easing
- The performance of the EURO
- Case study and field trip to Frankfurt Stock Exchange and/or to the European Central Bank.

Basic outline and organization:

The course follows a two-tier structure: in the lectures of Prof. Wentzel, a detailed introduction into European financial markets is given. Current publications dealing with the financial crisis will be provided.

Based upon the knowledge acquired, the students will have to work in teams of two on a current topic of financial markets (seminar topics see above). For preparing the presentation the students have to follow the guidelines of the Business School for Academic Writing.

The assignment of topics will take place on October 5th, 2016, within the first lecture. The presentations of the papers are scheduled during the regular class meetings. Each presentation will last 30 minutes for a team of two students with an additional discussion of 45 minutes.

Grading:

The grading is based upon the quality of your research, the attached presentation and your active participation within the class and the discussions after the presentations.

Course Materials:

1. Beck, Hanno: (2008) Die Logik des Irrtums, Frankfurt.
2. Beck, Hanno and Dirk Wentzel: Do we need a bankruptcy code for Europe, in: Michler, Albrecht (ed.), published results of the Research on Monetary Economics ROME, Barclays Capital.
3. Beck, Hanno and Dirk Wentzel (2011): Ordnungspolitische Überlegungen zu einer Insolvenzordnung für Staaten, in: ORDO, Band 62, Stuttgart.
4. Beck, Hanno and Dirk Wentzel (2011): Eurobonds: Wunderwaffe oder Sprengsatz für die Europäische Union, in: Wirtschaftsdienst, Oktober 2011.
5. De Haan, Jakob; Oosterloo, Sander; Schoenmaker, Dirk (ed.) (2009): European Financial Markets and Institutions, Cambridge University Press.
6. El-Agraa, A. (ed.) (2009): The European Union: Economics and Policies, Cambridge University Press.

7. Freixas, Xavier; Hartmann, Philipp; Mayer, Colin (ed.) (2009): European Financial Markets and Institutions, Oxford University Press.
8. Reinhart, Carmen M. And Kenneth Rogoff (2009): This time is different. Eight centuries of financial folly,
9. Shefrin, Hersh (2007): Beyond greed and fear: Understanding behavioral finance and the psychology of investing, Oxford University Press.
10. Thaler, Richard H. (1994): Quasi-Rational Economics, New York.
11. Thaler, Richard H. (2009): The Winners's Curse: Paradoxies and Anomalies of Economic Life, First Princeton Paperback Printing.
12. Wentzel, Dirk (2006): Europäische Integration – Ordnungspolitische Chancen und Defizite, Stuttgart.

Availability of the lecturer and teaching philosophy:

Prof. Dr. Dirk Wentzel
 Office: W4.1.05
 Office hours: Tuesday, 11.30 until 13.15 pm
 Email: dirk.wentzel@hs-pforzheim.de

I really care about your learning and your personal success. Therefore, do not hesitate to contact me if you have any questions with your learning or with the course. I strictly follow an open door policy!

Preliminary schedule for European Financial Markets

October 5, 2016	Class assignments, Explanation of the structure and goals of this class, first input.
October 7	Classroom meeting, selection of topics, second input.
October 19	NO CLASS
October 26	Classroom meeting, presentation of first results, third input, scientific writing.
October 26	Presentation of topics 1 and 2
November 4	Presentation of topics 3 and 4
November 11	Presentation of topics 5 and 6
November 18	Presentation of topics 7 and 8
November 30	Presentation of topics 9 and 10
December 2016	Field trip to Frankfurt (12h); Visit of the European Central Bank and the Stock Exchange