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Comparison of the Textbooks of International Finance and the Design of Bilingual Teaching Contents

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***Abstract—International Finance* is a core course for finance majors. Many colleges and universities offer it in bilingual form with English textbooks. But English textbooks often ignore China's national conditions, leading to a lack of understanding of domestic economic problems among students. Moreover, the differences between English textbooks and Chinese textbooks may also impose additional learning burdens on the students taking the postgraduate entrance examination in China. In view of this, the author thinks that the relevant content should be added in bilingual teaching according to the national conditions of our country, so that students can know more about international financial knowledge related to our country, and create convenient conditions for students to prepare for postgraduate examination.**

Keywords—International Finance; textbooks; bilingual courses; national conditions

International finance, as its name implies, is a course on international financial issues, also known as macro finance under open conditions. International Finance is the main course, core course and compulsory course of finance major (as well as international economy and trade major). In the course system of finance major, finance (i.e. monetary banking) discusses domestic financial issues such as money, interest rates and prices; when a country's currency, interest rates and prices affect another country through international trade and capital flows, the problem is extended from finance to international finance. Therefore, international finance can be regarded as one of the two most important macro finance courses that complement finance. In order to strengthen the cultivation of students' English ability while teaching, many colleges and universities have set this course as a bilingual course, as a substitute for and improvement of the Chinese course of international finance. The international finance bilingual course in our school is similar to other colleges. Our school stipulates that English textbooks must be used and taught in English. And students must be tested and examined in English. The book we use is Pugel's original English textbook, which is a popular bilingual textbook in China [1].

During using the original English textbook, we found some problems and made improvements and some achievements. The finance major in our college has been selected into the pilot project of comprehensive reform of the 12th Five-Year Plan specialty of the Ministry of Education of China. At present, our college is carrying out the construction of class A project in the first phase of Jiangsu University Brand Specialty Construction Project, in which the teaching reform of international finance bilingual course is an important part. We are here to exchange and discuss with you, hoping to optimize the teaching content of this course and improve the teaching of similar bilingual courses in finance and economics.

I. COMPARISON OF ENGLISH TEXTBOOKS AND CHINESE TEXTBOOKS

There are two popular English textbooks published in China. One is *International Finance (Fifteenth Edition)*, written by New York University professor Thomas A. Pugel (the second part of the book International Economics (Fifteenth Edition)) [1]. The other is *International Economics: Theory and Policy (ninth edition), the second volume, International Finance*, by Princeton University professor Paul R. Krugman and other professors [2]. By contrast, Pugel's textbook is more suitable for domestic universities in general; Krugman's textbook is more theoretical and more difficult. In terms of Chinese textbooks, the textbooks selected for the 12th Five-Year Plan of General Higher Education include the *International Finance (Fifth Edition)*, compiled by Professor Chen Yulu of the School of Finance of Renmin University of China, the *New International Finance (Fifth Edition)*, compiled by Professor Jiang Boke of the School of Economics of Fudan University and International Finance (Fourth Edition), written by Prof. Yang Shenggang, School of Finance and statistics, Hunan University [3][4][5]. Relatively speaking, Chen Yulu's textbook includes several chapters on micro-securities investment and multinational corporation finance, while the other two textbooks are not mentioned; the other Chinese textbooks we have seen are seldom mentioned. Therefore, the following comparisons are based on Pugel's textbook, Jiang Boke's textbook and Yang Shenggang's textbook.

A. Content Frame Comparison

TABLE I lists the main points of knowledge involved in the English textbook (the textbook of Pugel) and two Chinese textbooks (textbooks of Jiang Boke and Yang Shenggang).

As can be seen from TABLE I, the three textbooks cover the main knowledge points of balance of payments, foreign exchange market, exchange rate determination, international capital flows and financial crises, internal and external equilibrium, the IS-LM-BP model, choice of exchange rate regime, the international monetary system, the European monetary system and the euro, so the main contents involved are basically the same.

TABLE I. COMPARISON OF MAIN KNOWLEDGE POINTS BETWEEN ENGLISH TEXTBOOKS AND CHINESE TEXTBOOKS

Key Points	Chapters in English textbooks	Chapters in Chinese Textbooks	
	Pugel's textbook	Jiang Boke's textbook	Yang Shenggang's textbook
Balance of payments	Chapter 2 Payments among Nations	Chapter 2 Balance of payments	Chapter 1 Balance of payments
Balance of payments adjustment	Chapter 9 Section 10 How well does the trade balance respond to changes in the exchange rate?	Chapter 2 Balance of payments	Chapter 1 Balance of payments Chapter 10 Section 1 Balance of Payments Regulation Theory
Foreign exchange and foreign exchange market	Chapter 3 The Foreign Exchange Market Chapter 4 Forward Exchange and International Financial Investment (the first half)	Chapter 3 Section 1 Basic Concepts of Foreign Exchange and Exchange Rates	Chapter 2 Foreign Exchange, Exchange Rate and Foreign Exchange Market
Exchange Rate Determination Theory	Chapter 4 Forward Exchange and International Financial Investment (the bottom half) Chapter 5 What Determines Exchange Rates?	Chapter 3 Section 2 The Principle of Exchange Rate Determination (I)	Chapter 10 Section 2 Exchange Rate Determination Theory
Foreign exchange control	Chapter 6 Government Policies toward the Foreign Exchange Market	Chapter 6 Foreign exchange management and its efficiency analysis	Chapter 3 Foreign Exchange Management and Exchange Rate System
International reserves and management	Chapter 2 Section 2 A country's balance of payments	Chapter 8 Section 3 Major Issues in International Currency Coordination	Chapter 4 International Reserve
International capital movements	Chapter 7 International Lending and Financial Crises	Chapter 7 The Impact of Financial Globalization on Internal and External Equilibrium	Chapter 7 International Capital Flow and International Financial Crisis
International financial crisis	Chapter 7 International Lending and Financial Crises	Chapter 7 The Impact of Financial Globalization on Internal and External Equilibrium	Chapter 7 International Capital Flow and International Financial Crisis
International monetary system	Chapter 6 Section 6 International Monetary Experience	Chapter 8 Section 2 Institutional Arrangements for International Currency Coordination	Chapter 8 International Monetary System
Optimum currency area and euro	Chapter 11 Section 4 The International Fix—Monetary Union	Chapter 8 Section 4 Theory and Practice of Regional Currency Coordination	Chapter 8 International Monetary System Chapter 10 Section 7 Theories Related to the Reform of the International Monetary System
Internal and external equilibrium and policy mix	Chapter 8 How Does the Open Macroeconomy Work? Chapter 9 Internal and External Balance with Fixed Exchange Rates	Chapter 4 Short-term Adjustment of Internal and External Balance	Chapter 1 Section 4 Part 4 Internal and External Equilibrium Conflict and Coordination
Analysis of policy effectiveness for internal and external equilibrium (or IS-LM-BP model)	Chapter 9 Internal and External Balance with Fixed Exchange Rates Chapter 10 Floating Exchange Rates and Internal Balance	Chapter 4 Section 3 Part 3 Mundell-Fleming Model Chapter 6 Section 2 Part 2 Analysis of Macroeconomic Policies under Different Exchange Rate Systems Chapter 8 Section 1 Theoretical Analysis of International Policy Transmission and Coordination	Chapter 10 Section 1 Part 5 Mundell-Fleming Model Chapter 10 Section 3 Exchange Rate System Theory
International economic policy coordination	Chapter 10 Section 5 International Macroeconomic Policy Coordination	Chapter 8 International Coordination and Cooperation under Financial Globalization	Chapter 9 Section 3 International Financial Coordination
Choice of exchange rate regime	Chapter 11 Country and World Choices: Floating Exchange Rates and Others	Chapter 6 Section 2 The Choice of Exchange Rate System and Its Efficiency Analysis	Chapter 3 Foreign Exchange Management and Exchange Rate System Chapter 10 Section 3 Exchange Rate System Theory

Note: The content frame of Yang Shenggang's textbook is from the fourth edition from the Internet, while the specific content is from the second edition of his book.

B. Detailed Processing of Content

Although the main points of knowledge involved in English textbooks and Chinese textbooks are basically the same, there are obvious differences in the arrangement of specific knowledge points and the detailed treatment of specific content. For example, the IS-LM-BP model is introduced in three successive chapters in the Pugel textbook. Chapter 8 introduces the meaning and composition of the model, chapter 9 analyzes the effectiveness of fiscal and monetary policies under a fixed exchange rate regime by using the model, and chapter 10 analyzes the situation of a floating exchange rate regime. There

are eleven chapters in Pugel's textbook, and the contents for the IS-LM-BP model accounts for three whole chapters. While in Jiang Boke's textbook, it is divided into chapter 4, section 3, page 113-117, chapter 6, section 2, page 180-184 and chapter 8, section 1, page 258-267. In the second and fourth editions of Yang Shenggang's textbook, only the first and third sections of Chapter 10 introduce this model; in the second edition, the length of the introduction about the model (pages 385-387 and 400-401) is less than four full pages.

For another example, about the mechanism and theory of balance of payments adjustment, Pugel's textbook only introduces one of the theories of balance of payments adjustment, elasticity theory in "How well does the trade balance respond to changes in the exchange rate?" of Chapter 9. In Jiang Boke's textbook and Yang Shenggang's textbook, in addition to the other two balance of payments adjustment theories (absorption theory and monetary theory), it also introduces the automatic adjustment mechanism and policy adjustment of the balance of payments.

C. Comparison of Content Layout

Except the first chapter, the main contents of Pugel's textbook narrates balance of payments, foreign exchange market, interest rate parity theory and its application, exchange rate determination theory, foreign exchange market intervention, foreign exchange control, International Monetary system, international lending, international financial crisis, IS-LM-BP model, exchange rate regime choice and European monetary system and euro in turn. As regard to the main contents, balance of payments imbalances and adjustments, economic effects of exchange rate fluctuations, medium and long-term adjustment of internal and external equilibrium, foreign exchange reserve management, capital flight and currency substitution, international financial markets, IMF, etc. are added to Jiang Boke's textbook compare to Pugel's textbook. And in terms of layout ideas, the first half of the two textbooks is basically the same, that is, the balance of payments - foreign exchange market - exchange rate decision. But the latter part is quite different. Jiang Boke's textbook reorganizes the corresponding contents of Pugel's textbook, such as the IS-LM-BP model mentioned earlier. Moreover, the fifth chapter of Jiang Poke's textbook (the medium and long run adjustment of internal and external balance) is mainly the editor's personal studies, which is not introduced in Pugel's textbook (and other Chinese editions).

As far as Yang Shenggang's textbook is concerned, it basically follows the line of balance of payments, foreign exchange market, exchange rate system, foreign exchange control, international reserve, international capital flow and international financial crisis and international monetary system. Apart from the increased content of international financial markets and international financial risk management, it can be considered to be basically consistent with the Pugel's textbook. However, Yang Shenggang's textbook puts the theories involved in the previous chapters (Chapters 1-9) in the last chapter (Chapter 10), and all the previous chapters (Chapters 1-9) have no theories; while Pugel's textbook (and most of the Chinese textbooks) is a combination of theory and practice on the relevant topics.

II. The Adverse Consequences of Completely Copying the Content of English Textbooks

The advantages of original English textbooks are authentic, including content and language. However, because the original English textbooks are written by foreign professors, they generally do not consider China's national conditions. In this case, if the original English textbook is used, and it is completely described according to the content of the textbook, there will be some adverse consequences.

A. Students Lack Understanding of Domestic Economic Phenomena

Taking Pugel's textbook as an example, Pugel is an economics professor at New York University in the United States and the book is also written for American students. Though China is mentioned occasionally, it is extremely rare. For example, in the second chapter of the balance of payments, the textbook mainly talks about the evolution of the current account of the United States, in addition to three countries (Canada, Mexico and Japan). But China is not involved. In reality, China has jumped to the second largest economy and the first foreign exchange reserves in the world, changes in China's balance of payments will seriously affect the global balance of payments structure. Therefore, whether from the perspective of international economy or China's national conditions, we should introduce China's balance of payments situation in the course.

For another example, for us ordinary people, whether traveling abroad, remittances abroad, or "sea Tao" shopping, we need to exchange RMB and foreign currencies, which involves the core concept of international finance curriculum - exchange rate. The exchange rate level and evolution of RMB against US dollar, euro and pound sterling should be introduced during learning, so that students can have a deeper and more accurate understanding of international financial problems in reality.

B. Insufficient Training of Students' Practical Ability

The Pugel textbook is all explanations or introductions of the contents. In other words, there is no content of practical teaching. However, there are practical cases which can be operated by students. The status of practice teaching in our teaching system is being valued and improved since everybody realizes that practice teaching is an important means to cultivate students' mastery of theory and methods and to improve their application ability, a necessary bridge and link to combine theory with practice, an effective way to expand students' knowledge and improve their comprehensive quality and also an important measure and guarantee to cultivate students' innovative consciousness and improve students' innovative ability.

For example, in the recent revision of the undergraduate syllabus of the Nanjing University of Finance and Economics, the credits for practical teaching have been increased, and the practical teaching is asked to be added to the theoretical teaching links of the relevant finance courses. The International Finance course is 3 credits and requires 0.5 credits for practical instruction. Accordingly, we set up some experimental chapters to guide students to analyze the real international financial

problems by using simple data, and an experiment report is handed in every experimental class. In the experimental classes, teacher guidance is supplementary, student-oriented operation is the main.

C. Postgraduate Students Have a Large Knowledge Gap

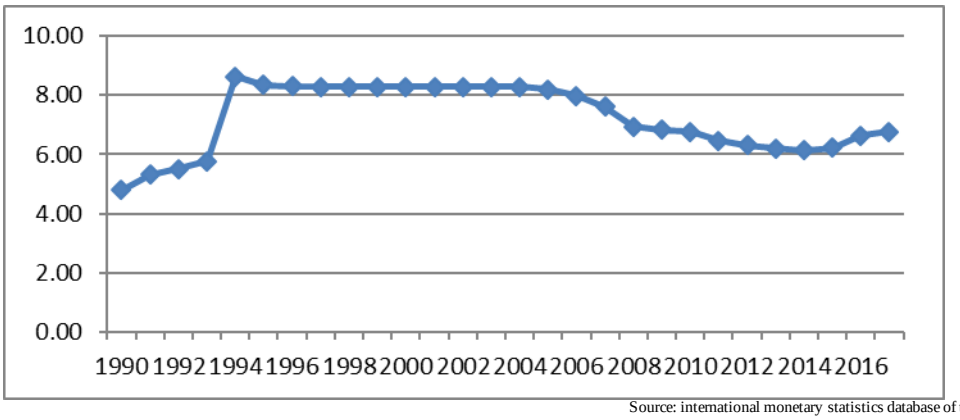
From the comparison of the contents of English textbooks and Chinese textbooks, we know that although the content framework of English textbooks and Chinese textbooks is roughly the same, there are great differences in the detailed processing and arrangement of the contents, which directly leads to the non-coincidence of the introduction of some specific knowledge points. The content of Chinese teaching materials is relatively large. For example, there is no direct quotation and indirect quotation about exchange rate in Pugel's textbook. The Marshall-Lerner condition and J-curve effect (the elasticity theory of balance of payments) are only simply talked about, but the absorption theory and monetary theory of balance of payments adjustment are not talked about, the automatic adjustment mechanism and policy adjustment tools of balance of payments are not mentioned, and even the two important terms of expenditure increase-decrease policy and expenditure conversion policy are not put forward. However, these contents are generally regarded as the basic knowledge points in Chinese textbooks.

The problem is that if students want to apply for postgraduate studies in China, they must use Chinese textbooks and supplement themselves with those that have not been studied in bilingual courses in international finance because of the use of English textbooks. Since during the preliminary examination of graduate student enrollment of finance major in domestic universities, Chinese textbooks are used. For example, Fudan University, Chongqing University, Ningbo University, Hainan University designated Jiang Boke's textbook, Hunan University, Huazhong Agricultural University, Henan University of Technology, Anhui University of Finance and Economics designated Yang Shenggang's textbook [6]. In view of this problem, while English textbooks are being used in bilingual classes, the possible implications of these postgraduate entrance examinations should be supplemented by lectures.

III. Design of Bilingual Teaching Content Based on China's National Conditions

In view of the shortcomings of Pugel's textbook, which seldom mention the economic phenomena in our country and lack the content for the students who take part in the postgraduate entrance examination, we supplement the corresponding contents in the course of teaching.

For example, we will supplement the (nominal or official) exchange rate level of the RMB against major foreign currencies, especially against the US dollar, in the introduction of the major exchange rates in the international market in Chapter 3 and explain the evolution of the exchange rate level in the light of the reform of the exchange rate system, and then highlights what levels have been around in recent years and what basic trends will be in the future, as shown in Fig. 1.



Source: international monetary statistics database of the International Monetary Fund.

Fig. 1. Nominal exchange rate level of RMB against US dollar (unit: how much RMB is exchanged per US dollar; annual average)

More specifically, we have added relevant Chinese contents to the original contents of the corresponding chapters, as shown in TABLE II.

TABLE II. Contents of Pugel's Textbook and Contents We Added

Chapter of Pugel textbook	The original main content of the textbook	Contents we added
Chapter 2 Balance of Payments	The content of the balance of payments, the economic implications of the current account, the international investment position	China's balance of payments situation, the theory, mechanism and policy of balance of payments adjustment
Chapter 3 Foreign Exchange Market	The basis of currency trading, the supply and demand of foreign exchange, the triangular arbitrage of the spot foreign exchange market	Direct quotation, indirect quotation, main Renminbi bilateral exchange rates
Chapter 6 Government Policies toward the Foreign Exchange Market	Exchange rate flexibility, foreign exchange market intervention, foreign exchange control, the evolution of the international monetary system	The status quo and trend of China's capital and finance account opening, RMB internationalization

Cont. to TABLE II		
Chapter 7 International Lending and Financial Crises	Economic analysis of international lending, capital inflows from developing countries, international financial crisis events and countermeasures	China's external debt, the impact of foreign capital flows on the exchange rate of the RMB, China's potential financial risks
Chapter 11 Country and World Choices: Floating Exchange Rates and Others	The main problem of the choice of exchange rate system, the choice of a country, the extreme fixed, the European monetary system and the euro	The evolution and current situation of the RMB exchange rate system, using the impossible trinity theory to analyze the future trend of the RMB exchange rate system

Through the expansion of the above contents according to China's national conditions, students can have a general understanding of China's major international financial issues. And the burden of studying and reviewing for students' postgraduate entrance exams can be reduced.

IV. Conclusion

To sum up the foregoing discussion, if the original English textbooks are used in the teaching of international financial bilingual courses, the relevant contents should be supplemented according to the national conditions of our country, so as to better realize the teaching objectives, establish a more comprehensive knowledge framework for students to be familiar with China and the West and more fully cultivate students' ability to integrate theory with practice, analyze and solve practical economic problems. In this way, we can also take into account the training and improvement of students' English ability and reduce the burden of postgraduate entrance examination students (or the pressure of preparing for the examination) at the same time.

Finally, as a bilingual course of Finance and economics, international finance bilingual course has its own uniqueness, but it has the same characteristics with other bilingual courses of finance and economics. Therefore, the viewpoints and methods mentioned in this paper are also applicable to other bilingual courses of Finance and economics.

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