Study question on McCauley (2011):

1. What makes a currency international? List the most important currencies that have been used in the international transactions? What is the most important common characteristic that led these currencies being accepted by the international community?
2. How can capital controls limit or improve the international character of a currency?
3. What is an offshore market? What is the role of offshore markets in the Chinese financial system? (i.e. the linkage between offshore and onshore)
4. How does the presence of offshore markets influence pricing such as the forward premium, government bond yields, or stock prices?