

ECON 3H03: International Monetary Economics Winter 2019

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Office Hours: Monday 1:00pm-2:00pm, and by appointment

Lecture: Monday/Wednesday 2:30pm - 3:20pm & Friday 4:30pm - 5:30pm

Location: T13-127

Website: Avenue to Learn

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CONTENTS

Course Description	2
Prerequisites	2
Course Objectives	2
Class format	2
Course Materials and Texts	2
Avenue to Learn	3
Course Evaluation	3
Course Policies	4
Grades	4
Submission of Assignments	4
Late Assignments	4
Absences, Missed Work, Illness (MSAF)	4
Where to Get Help	4
Calculators	4
University Policies	5
Academic Integrity Statement	5
Academic Accommodation of Students with Disabilities	5
Academic Accommodation for Religious, Indigenous and Spiritual Observances	5
Faculty of Social Sciences E-mail Communication Policy	5
Course Modification	6
Weekly Course Schedule (and/or important dates)	6

COURSE DESCRIPTION

This course presents International Monetary Economics theory and applies it towards gaining an understanding of recent events and current policy issues. The theory presented in this course covers a broad range of topics including exchange rate determination, monetary and fiscal policy in an open economy, balance of payments crises, the choice of exchange rate systems, and international debt. The insights provided by these theoretical frameworks will enable us to discuss topics such as current account deficits and global financial imbalances, the Chinese exchange rate regime, proposed changes in the international financial architecture, the single currency in Europe, the Asian and Argentine financial crises, and the role of international factors on a nation's employment, wage and economic performance.

PREREQUISITES

ECON 2H03

COURSE OBJECTIVES

The purpose of the course is to learn principles, concepts and tools to analyze standard international monetary economics theories. The course material will help students to analyze current international economic affairs in terms of theoretical models. The theories learnt in this course will address topics like international monetary framework and financial crisis which could be utilized for an in-depth analysis of the ongoing global economic crisis.

CLASS FORMATE

For getting the most out of this course grade wise and in terms of learning, active participation on your behalf is essential. In order to make this journey successful, each student's cooperation, diligence, sincerity and above all a great deal of interest and involvement in learning the course material are important. This will ensure that we receive the maximum value added from the course.

I will deliver my lectures using slides. The slides will be distributed through Avenue to Learn. The slides are not lecture notes. They are mainly providing outlines of what will be discussed in class. I will set the lecturing pace based on the assumption that you have copies of the slides with you in class. I will also use blackboard/whiteboard to cover additional material.

Students are assumed to have read the material ahead of the lectures (see weekly class schedule on page 6 for the reading schedule). For some chapters, only selected portions will be covered as a part of the course material. Therefore, students should NOT expect me to talk about every single textbook page. The lectures will focus on the most important and challenging parts of the material. More basic material will be left for the students to study on their own. I will refer to this more basic material in the lectures, hence the need to read ahead to understand the lectures.

COURSE MATERIALS AND TEXTS

Robert C. Feenstra and Alan M. Taylor, "International Economics" 4th edition, Worth Publishers, 2017

AVENUE TO LEARN

All important information related to the course including course outline, lecture slides, problem sets, solutions to the problem sets and exams, grades, and announcements will be posted on Avenue to Learn website. It is your responsibility to check your Avenue to Learn account regularly. If a student misses a lecture for any reason, it is student's responsibility to obtain class lecture notes and other relevant material.

Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

COURSE EVALUATION

Learning in this course results primarily from lectures, in-class discussions, home readings, and from assigned problem sets. Students learning and progress in this course will be evaluated on individual basis. Both the in-class midterms and the final exam will consist of a mix of short answer questions, analytical problems, numerical calculations, mathematical derivations, true-false, multiple choice, and fill-in-the-blank questions, and will draw on problem sets, and material covered in the lectures.

Please note:

- All exams, midterms and final, are individual and closed-book.
- There will be no makeup problem sets or makeup exams.
- There will be no extensions of deadlines.
- It is mandatory that students bring their McMaster student ID card to the midterm and the final exams.
- Your grades on problem sets and midterm will be posted on Avenue to Learn. Please immediately report to the instructor any discrepancy between the posted and actual grades.
- Your letter grade will come through official channels. Hence, marks for final exam will not be posted on Avenue to Learn.

Grades for this course will be calculated as follows:

Evaluation	Evaluation Date	Weights
Problem Set 1	Monday, February 4th, 2019 (in class)	5%
Problem Set 2	Monday, March 11th, 2019 (in class)	5%
Problem Set 3	Friday, April 5th, 2019 (in class)	5%
Midterm Exam 1 (Chapter 1, 2, 3, & 4)	Friday, February 8th, 2019 (in class)	20%
Midterm Exam 2 (Chapter 5, 6, & 7)	Friday, March 15th, 2019 (in class)	20%
Exam (Cumulative)	TBA	45%
Total		100%

COURSE POLICIES

Grades

Grades will be based on the McMaster University grading scale:

MARK	GRADE
90-100	A+
85-90	A
80-84	A-
77-79	B+
73-76	B
70-72	B-
67-69	C+
63-66	C
60-62	C-
57-59	D+
53-56	D
50-52	D-
0-49	F

Submission of Assignments

Problem sets are to be handed in class on the due dates mentioned above. Group work is encouraged however just copying others' work without understanding the material could have consequences.

Late Assignments

Problem sets will not be accepted past their deadline. There will be no make-up problem sets.

Absences, Missed Work, Illness (MSAF)

If an assessment is missed, given proper documentation (MSAF, doctor's note, etc..) the weight will be transferred to the final exam.

Where to Get Help

Students are encouraged to contact instructor or TA to seek help or to discuss course related matters. Instructor's and TA's office hours are listed on page 1. If scheduled office hours conflict with your schedule, you can request an appointment with me via email (ranas3@mcmaster.ca). Please ensure that your email has subject line starting with "ECON 3H03" this will minimize the risk of your email being overlooked or perceived as spam.

Calculators

Only the McMaster University standard calculator (the Casio FX-991) is permitted for the midterm and final exams.

UNIVERSITY POLICIES

Academic Integrity Statement

You are expected to exhibit honesty and use ethical behavior in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behavior can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations.

Academic Accommodation of Students with Disabilities

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements. Academic accommodations must be arranged before classes or academic work begins, and for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca. For further information, consult McMaster University's Policy for [Academic Accommodation of Students with Disabilities](#).

Academic Accommodation for Religious, Indigenous and Spiritual Observances

Students who require academic accommodation due to an Observance must submit a RISO form to their Faculty office, electronically or in person, normally within ten working days from the beginning of each term in which they are anticipating a need for Accommodation. For further information, consult McMaster University's [Policy on Academic Accommodation for Religious, Indigenous and Spiritual Observances](#).

Faculty of Social Sciences E-mail Communication Policy

Effective September 1, 2010, it is the policy of the Faculty of Social Sciences that all e-mail communication sent from students to instructors (including TAs), and from students to staff, must originate from the student's own McMaster University e-mail account. This policy protects confidentiality and confirms the identity of the student. It is the student's responsibility to ensure that communication is sent to the university from a McMaster account. If an instructor becomes aware that a communication has come from an alternate address, the instructor may not reply at his or her discretion.

Course Modification

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check his/her McMaster email and course websites weekly during the term and to note any changes.

WEEKLY COURSE SCHEDULE (AND/OR IMPORTANT DATES)

Week 1 (Jan 07, 09, 11)

Part 1: Introduction to International Macroeconomics

Chapter 1: The Global Macroeconomics

Week 2 (Jan 14, 16, 18)

Part 2: Exchange Rates

Chapter 2: Introduction to Exchange Rates and Foreign Market

Week 3 (Jan 21, 23, 25)

Part 2: Exchange Rates

Chapter 3: Exchange Rates I: The Monetary Approach in the Long Run

Week 4 (Jan 28, 30, Feb 01)

Part 2: Exchange Rates

Chapter 4: Exchange Rates II: The Asset Approach in the Short Run

Week 5 (Feb 04, 06, 08)

Part 3: The Balance of Payments

Chapter 5: National and International Accounts: Income, Wealth and Balance of Payments

- Problem Set 1 due on Monday, February 04th, 2019 (in class).
- Midterm Exam 1 on Friday, February 8th, 2019 (in class) covers chapter 1, 2, 3, & 4.

Week 6 (Feb 11, 13, 15)

Part 3: The Balance of Payments

Chapter 5: National and International Accounts: Income, Wealth and Balance of Payments

Week 7 (Feb 18, 20, 22)

Note: Midterm Recess: No Classes

Week 8 (Feb 25, 27, Mar 01)

Part 3: The Balance of Payments

Chapter 6: Balance of Payments I: Gains from Globalization

Week 9 (Mar 04, 06, 08)

Part 3: The Balance of Payments

Chapter 7: Balance of Payments II: Output, Exchange Rates and Macro Policies in the Short Run

Week 10 (Mar 11, 13, 15)

Part 4: Application and Policy Issues

Chapter 8: Fixed vs. Floating: International Monetary Experience

- Problem Set 2 due on Monday, March 11th, 2019 (in class).
- Midterm Exam 2 on Friday, March 15th, 2019 (in class) covers chapter 5, 6, & 7.

Week 11 (Mar 18, 20, 22)

Part 4: Application and Policy Issues

Chapter 8: Fixed vs. Floating: International Monetary Experience

Week 12 (Mar 25, 27, 29)

Part 4: Application and Policy Issues

Chapter 9: Exchange Rate Crises

Week 13 (Apr 01, 03, 05)

Part 4: Application and Policy Issues

Chapter 10: The Euro

Chapter 11: Topics in International Macroeconomics

Notes:

- Problem Set 3 due on Friday, April 5th, 2019 (in class)

Week 14 (Apr 08)

Review, April 8th, 2019