



UNIVERSITY OF  
CALGARY

## Department of Economics Course Outline

	<b>Term:</b> Fall 2011
<b>Course:</b> Economics 423 [International Macroeconomics]	<b>Section:</b> 01
<b>Time:</b> T 18:00 – 21:00	<b>Place:</b> ST 125
<b>Instructor:</b> Dr. David R. Sabiston	
<b>Office:</b> SS447	<b>Telephone :</b> 440-6546
<b>Office hours:</b> T 17:00 – 17:45 or by appointment	<b>E-mail:</b> <a href="mailto:sabiston@ucalgary.ca">sabiston@ucalgary.ca</a>

**Textbook(s):**

*Required:* Feenstra, Robert C., and Alan M. Taylor (2012). *International Macroeconomics* (2<sup>nd</sup> ed). Worth Publishers, New York, NY.

**Required Readings:**

Throughout the semester, additional required readings will be posted on the BlackBoard site.

**Book(s) on Reserve:**

Montiel, Peter J. (2009), *International Macroeconomics*. (1<sup>st</sup> ed) Wiley-Blackwell Publishers.

Krugman, Paul and Maurice Obstfeld (2008), *International Economics: Theory and Practice*. (8<sup>th</sup> ed.) Pearson Publishers.

**Course Outline:**

This course examines how variables and institutions with international linkages influence an economy's macroeconomic behaviour. Throughout the semester students will be presented with specific theoretical analysis: balance of payments, the role of money and relative interest rates, exchange rate models/regimes and their effect on price levels and output. In addition, theories will be analyzed within the context of current policy-oriented issues in open economy macroeconomics. Examples include the choice of exchange rate regimes such as dollarization, currency boards, currency baskets and monetary unions as well as the causes of currency crises.

The course includes, but is not limited to, the following content:

<u>General Topic</u>	<u>Chapters in Feenstra &amp; Taylor</u>
Introduction	Chapter 1
Exchange Rates, Models of Exchange Rate Determination	Chapter 2-4
Balance of Payments Issues	Chapter 5 & 6
Monetary & Fiscal Policy	Chapter 7

(Fixed vs. Floating Exchange Rates)

Exchange Rate Crises	Chapter 9
Exchange Rate Regimes (Currency boards, dollarization, types of pegs)	Various

**NOTE:** Depending on time constraints, some topics may be added or deleted.

### Course Requirements:

<u>Assessment</u>	<u>Due Date</u>	<u>Value</u>
Assignment #1	October 11, 2011	15%
Mid-term Examination	October 18, 2011	20%
Assignment #2	November 22, 2011	15%
Group Presentations	November 22, 29, & December 6, 2011	20%
Final Examination	Registrar Scheduled: December 12-21, 2011	<u>30%</u>
		100%

#### Assignments

**Assignments must be submitted on the due date in class** – no exceptions, no pleas for mercy will be entertained.

#### Midterm

There will be one midterm test, which will be held in a classroom. **Make-up midterms and deferred midterms will not be given.** In cases of documented illness, documented family emergency, or documented religious observance, extra weight will be given to the final examination.

#### Group Presentation

Groups (minimum of three and maximum of four) will present on an international finance topic once during the semester. Specifically, the presentation will examine a nation that has faced a recent monetary crisis (massive currency devaluation, default on loans, creation of a currency board/dollarization, hyperinflation, *etc.*). The framework and expectations of these presentations will be discussed in class.

#### Final Exam

The final exam is cumulative and is 2 hours as scheduled by the Registrar's office. More information will be provided towards the end of the term.

**Blackboard:**

I use the course BlackBoard site to post announcements and readings as well as the assignments and solutions to the assignments and the midterm. Students are responsible for monitoring the BlackBoard site on a regular (i.e., weekly) basis.

**Grade Determination:**

Tests and final exams are marked on a numerical (percentage) basis and converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalencies will generally apply:

A+	95 – 100	B	74 – 76	C-	60 – 63
A	88 – 94	B-	70 – 73	D+	56 – 59
A-	83 – 87	C+	67 – 69	D	50 – 55
B+	77 – 82	C	64 – 66	F	0 – 49

**Notes:**

Students seeking reappraisal of a midterm or assignment should discuss their work with the Instructor *within fifteen days* of the work being returned to the class.

It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. In the Department of Economics, we recommend that all students enrolled in the Fall session, should discuss their needs with the instructor of the course no later than *seven (7) days* after the start of this course.

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[www.ucalgary.ca/sue/](http://www.ucalgary.ca/sue/)

Safewalk / Campus Security: 220-5333  
Emergency Assembly Point – ICT Food Court

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