

# DEPARTMENT OF ECONOMICS UNIVERSITY OF TORONTO

## International Monetary Economics ECO365H1S (L5101)

SUMMER 2012

MONDAY & WEDNESDAY 6 – 9 PM IN WI 1017

MICHAEL HO

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**COURSE DESCRIPTION:**

This course will first focus on the development of a theoretical framework for the analysis of the nature, effects and policy implications of international finance; balance-of-payments and foreign exchange analysis. Then, the theoretical framework will be extended to examine liquidity problems and topics related to current problems in international finance.

**REQUIRED TEXTBOOK:**

International Economics: Theory and Policy (Ninth Edition), Krugman, P.R., Obstfeld, M., and Melitz, M., 2012 Prentice Hall.

**PREREQUISITES & EXCLUSIONS:**

Prerequisites: ECO202Y1/ECO208Y1/ECO209Y1

Prerequisites are strictly checked and enforced and must be completed before taking a course. By taking this course you acknowledge that you will be removed from the course at any time if you do not meet all requirements set by the Department of Economics. For further information you can consult the Undergraduate Academic Handbook.

Exclusions: ECO230Y1/ECO328Y1

## COURSE ASSESSMENT:

Mid-term Date: July 18.

Mid-term 40%, final examination 60% (*If the mid-term is better than the final examination*).

Mid-term 25%, final examination 75% (*If the final examination is better than the mid-term*).

The variable weights for the mid-term and the final examination are designed to encourage students to work harder in their final examination in case their mid-term is not satisfactory. The final examination will be held during the *final examination* period in August and will be *cumulative*.

Re-reads of the mid-term will be granted if the test is written in *pen* and returned to me *within one week* of the date of its return to the class. In addition to this, you must include *in writing* and with specificity, your question or concern with the grading. Please be advised that the marker may re-read and re-mark the entire test. Any additional errors will, of course, be corrected on the spot.

## POLICY ON MISSED TESTS:

University policy on missed material is as follows: “Students who miss a term test will be assigned a mark of zero for that test unless they satisfy the following conditions: Students who miss a term test for reasons entirely beyond their control may, *within one week of the missed test*, submit to the instructor *in person* a written request for special consideration explaining the reason for missing the test, and attaching appropriate documentation,” such as the UT Medical Certificate that you can download from the Registrar’s web page.

If a term test is missed due to illness and I receive the UT Medical Certificate within one week that states: (1) your name and student number and (2) that you were *examined* and *diagnosed* at the time of illness and on the day of the test or immediately after (i.e. the next day), then the student must write the make-up test on July 30. Failing to write the make-up test will result in a grade of zero assigned to that assessment.

Note the following two university policies: (1) A statement from a physician that merely confirms a report of illness and/or disability made by the student is not acceptable. (2) A student who misses a term test cannot subsequently petition for late withdrawal from the course on the grounds that he or she has had no term work returned before the drop date.

## COMMUNICATIONS:

All course materials and announcements will be posted on Blackboard. You need to check for updates on a regular basis, especially the day before each class.

I prefer receiving email rather than phone calls. However, I will *only respond* to email sent through *UTOR account* for record-keeping and identification purposes. I usually reply to email within 24 hours during weekdays. Please put “*ECO365*” in the message title as this will help draw my attention to your email. I will only respond to email posing questions that can be answered in a sentence or two. For any detailed question that involves equation or diagram, or regarding the results of graded material, then you should see me during my office hours. There are limits to how much time I can spend answering email, so please do not abuse this privilege. In addition, I will not respond to questions already covered in the syllabus or other announcements, or to any email sent within 24 hours of your test or final examination. Email should not be seen as a means to receive private tutorials or review material that was covered in class but you missed.

## **ACADEMIC MISCONDUCT:**

Students should note that copying, plagiarizing, or other forms of academic misconduct **will not be tolerated**. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the test or examination to dismissal from the university as outlined in the Undergraduate Academic Handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

## **TOPICS:**

National Income Accounting and the Balance of Payments	<i>Chapter 13</i>
Exchange Rates and the Foreign Exchange Market: An Asset Approach	<i>Chapter 14</i>
Money, Interest Rates, and Exchange Rates	<i>Chapter 15</i>
Price Levels and the Exchange Rate in the Long Run	<i>Chapter 16</i>
Output and the Exchange Rate in the Short Run	<i>Chapter 17</i>
Fixed Exchange Rates and Foreign Exchange Intervention	<i>Chapter 18</i>
Developing Countries: Growth, Crisis, and Reform	<i>Chapter 22</i>