

ECO 365H1F: INTERNATIONAL MONETARY ECONOMICS

University of Toronto
Fall 2024

Instructor Contact Information

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Lecture Schedule

Section L0101

Tuesdays, 2:10 PM – 5:00 PM
Sidney Smith Hall (SS),
Room 2118

Section L5101

Tuesdays, 6:10 PM – 9:00 PM
Sidney Smith Hall (SS),
Room 2117

Office Hours

Kevin Lim:	Wednesdays, 2:00 PM – 3:00 PM	GE 323
Una Su:	Thursdays, 1:00 PM – 2:00 PM	GE 213
TBD:	-	-

Course Overview

This course is an introduction to international monetary economics. The core objective of the course is to develop an understanding of macroeconomic models of open economies, which can be used to analyze issues such as: the determination of exchange rates, interest rates, and inflation; the gains and risks from financial globalization; currency and sovereign debt crises; optimum currency areas; and growth accounting. Although the course will emphasize the understanding of past and current world events related to international macroeconomics, it will rely heavily on formal economic modeling to help students understand these events.

Prerequisites and Exclusions

Prerequisites:

- ECO202Y1 / ECO208Y1/ ECO209Y1

Exclusions:

- ECO230Y1, ECO232H1, ECO365H5

For assistance with enrolment, contact Sally Wong (ugadministrator.economics@utoronto.ca).

Important Dates

3 September: First class
15 October: Midterm examination
29 October: Reading week (no class)
4 November: Drop date for F courses
26 November: Last class

Grading Scheme

The grading scheme for the course will be as follows:

Problem Sets:	15%
Midterm Examination:	35%
Final Examination:	50%

Problem Sets

<u>Problem Set No.</u>	<u>Assignment Date</u>	<u>Due Date</u>
1	10 September	24 September
2	1 October	8 October
3	8 October	29 October
4	5 November	12 November
5	12 November	19 November

The problem set schedule is tentative and may be subject to change.

Assignments will be due by 9:00 PM on the respective due dates. Assignments submitted past this time will be considered late. For the purpose of streamlining the submission, grading, and returning of problem sets, **all assignments must be submitted online via Quercus in PDF format.**

Problem sets will be graded on a ✓-, ✓, ✓+ basis, corresponding to scores of 4/10, 8/10, and 10/10 respectively. Only the best four out of five problem sets will count towards the final grade.

Lecture Notes and Textbooks

Detailed lecture notes will be posted on the course Quercus website for each lecture session. The content of these lecture notes, together with the assigned problem sets, will constitute the core material that students are responsible for learning throughout the course. As such, there is no required textbook for the course. However, many undergraduate international economics courses use well-established textbooks that students might find helpful as supplementary reading. The reading list below provides suggested chapters corresponding to each lecture topic from two of the most commonly used textbooks:

- (FT) *International Economics*, by Robert C. Feenstra and Alan M. Taylor, Worth Publishers, 4th Edition.
- (KOM) *International Economics: Theory and Policy*, by Paul R. Krugman, Maurice Obstfeld, and Marc Melitz, Pearson, 10th Edition.

Please note that these textbooks cover material for both international trade and international macroeconomics courses. The international macroeconomics sections of both FT and KOM are also available as separate textbooks, under the titles *International Macroeconomics* and *International Finance: Theory and Policy* respectively.

Course Outline and Reading List

<u>Lecture</u>	<u>Date</u>	<u>Topic</u>	<u>Reading</u>
1	3 September	Introduction and exchange rate basics	FT 12 & 13 / KOM 14
2	10 September	Exchange rates: monetary approach	FT 15 / KOM 15
3	17 September	Exchange rates: asset approach	FT 14 / KOM 16
4	24 September	Current account and balance of payments	FT 16 / KOM 13
5	1 October	Gains from financial globalization	FT 17 / KOM 21
6	8 October	Exchange rates and output	FT 18 / KOM 17
-	15 October	MIDTERM EXAM	-
7	22 October	Fixed exchange rates	FT 19 / KOM 18
-	29 October	Reading Week (no class)	-
8	5 November	Financial crises I	FT 20 / KOM 18 & 21
9	12 November	Financial crises II	FT 20 / KOM 18 & 21
10	19 November	Optimum currency areas	FT 21 / KOM 21
11	26 November	Review	-

The course outline is tentative and may be subject to change.

Policy for Late Problem Sets and Extension Requests

Late problem sets will not be accepted and will receive a score of zero. If you wish to request for an extension of a problem set deadline, you must do so at least 48 hours prior to the deadline. Extensions will be granted only for legitimate reasons supported by appropriate documentation, and the granting of extensions will be at the discretion of the course instructor and TAs. Please note that each student will be granted no more than one problem set extension throughout the course.

Policy for Regrading Requests

If you would like to make a case for receiving a different grade on a problem set or exam, please note that you have *one week* from the date the problem set or exam is returned to you to submit a regrade request. Absolutely no assignments will be regraded beyond this time limit. Material submitted for regrading must be accompanied by a brief written explanation detailing your reasons for receiving a different grade. Be as specific as possible (e.g. correction of addition errors in calculating a grade, a specific point or step that the grader missed, etc.). Note that in agreeing to resubmit your work for remarking, you are agreeing to a re-evaluation of your work that may see your grade go up, go down, or stay the same.

Policy for Missed Midterm Examination

If you miss the midterm examination for any reason, you must inform the course instructor via email *before* the exam. You must also provide documentation in support of your absence. The following are recognized forms of documentation:

- Absence Declaration via ACORN
- U of T Verification of Illness or Injury Form (VOI)
- College Registrar's letter
- Letter of Academic Accommodation from Accessibility Services

Please note that the ACORN Absence Declaration Tool may only be used to declare an absence once per academic term for a maximum period of seven consecutive calendar days and cannot be used to seek academic consideration for any matters that require a petition such as missing a final exam or final assessment.

If it is agreed that your absence from the exam is justified, you will be allowed to sit for a make-up midterm, which will be held within three weeks of the original exam. Please note that in addition to material tested by the original midterm, the make-up midterm will test material covered between the dates of the original and make-up midterm exams. This will ensure that any additional time for studying provides no unfair advantage for students who sit for the make-up midterm examination.

Please also note that you will receive a score of zero on the midterm if you fail to inform the course instructor of your absence before the exam or if you miss the make-up exam. There will be strictly no exceptions to this policy.

Policy for Missed Final Examination

Please note that final examinations fall under the jurisdiction of the Faculty of Arts and Science. As such, course instructors do not have the authority to grant students leave of absence from a final exam or to offer makeup final exams. Instead, any petitions pertaining to deferred final examinations must be submitted to your college registrar's office. The Faculty's guidelines for deferred final exams can be found here:

<https://www.artsci.utoronto.ca/current/faculty-registrar/petitions/deferred-exams>

Academic Integrity

All students, faculty, and staff are expected to follow the University's guidelines and policies on academic integrity. For students, this means following the standards of academic honesty when writing assignments, citing and using source material appropriately, collaborating with fellow students, and writing tests and exams. Ensure that the work you submit for grading represents your own honest efforts. Plagiarism representing someone else's words as your own or submitting work that you have previously submitted for marks in another class or program is a serious offence that can result in sanctions. Speak to the course instructor or TAs for advice on anything that you find unclear. Also, see the U of T writing support website at www.utoronto.ca/writing. Consult the Code of Behaviour on Academic Matters for a complete outline of the University's policy and expectations.

Ongoing Learning Disability or Accommodation Requirement

Students with diverse learning styles and needs are welcome in this course. If you have an ongoing disability issue or accommodation need, you should register with Accessibility Services (AS) (accessibility.utoronto.ca) at the beginning of the academic year. Without registration, you will not be able to verify your situation with your instructors, and instructors will not be advised about your accommodation needs. AS will then assess your medical situation, develop an accommodation plan with you, and support you in requesting accommodation for your course work. Remember that the process of accommodation is private: AS will not share details of your condition with any instructor, and your instructors will not reveal that you are registered with AS.

Religious accommodation

As a student at the University of Toronto, you are part of a diverse community that welcomes and includes students and faculty from a wide range of backgrounds, cultural traditions, and spiritual beliefs. The course instructor will make every reasonable effort to avoid scheduling tests, examinations, or other compulsory activities on religious holy days not captured by statutory holidays. Further to University Policy, if you anticipate being absent from class or missing a major course activity due to a religious observance, please let the course instructor know as early in the course as possible, and with sufficient notice (at least two weeks), so that alternate arrangements can be made.

Quercus Information

This course uses the University's learning management system, Quercus, to post information about the course. This includes posting readings and course assignments, as well as sharing important announcements and updates. The site is dynamic and new information and resources will be posted regularly as we move through the term, so please make it a habit to log in to the site on a regular, even daily, basis. To access the course website, go to the U of T Quercus log-in page at <https://q.utoronto.ca>. Once you have logged in to Quercus using your UTORid and password, you should see the link for ECO364H1F. Click on this link to open the course area, view the latest announcements, and access your course resources.

Please also note that any grades posted are for your information only, so you can view and track your progress through the course. No grades are considered official, including any posted in Quercus at any point in the term, until they have been formally approved and posted on ACORN at the end of the course. Please contact the course instructor as soon as possible if you think there is an error in any grade posted on Quercus.

Use of Crowdmark

This course will use Crowdmark, a collaborative online grading tool for marking and providing feedback on graded term assessments. Crowdmark provides efficiencies with grading, data recording, returning term assessments and handling regrade requests. Copies of student work marked in Crowdmark, including grading and feedback, will be available online to students for at least one year. Digital (i.e., online) copies will serve as the authoritative record for course administrative purposes, and paper copies of assessments scanned and uploaded to Crowdmark will be destroyed after the term has ended and final grades are approved. If students have questions about how your information is stored on Crowdmark, please contact your course instructor.