



Economics

UNIVERSITY OF TORONTO

ECO365H1F: Section L0201

International Monetary Economics

Syllabus (Fall Term, 2024)

Instructor: Robert F. Owen, Ph.D., Professor of Economics

Email: robert.owen@utoronto.ca

Campus address: Office #: 230 in the Max Glusken House

Phone: (416)946-7630 (for urgent matters messages can be left at 416-978-4622)

Academic Course Home: Department of Economics
Max Glusken House
150 Saint George Street
Toronto, Ontario M5S 3G7

Office Hours: Both in-person and via Zoom

Students seeking in-person office-hour meetings, at times other than those indicated below, are welcome to arrange specific times in advance. This may be done either via a discussion after class and/or email. In general, some priority will be given to in-person office hour requests.

Virtual and Physical Office Hours (subject to eventual modification):

In general, at least three hours of in-person in my office and/or virtual office hours will be offered (on average) each week.

The times for the Fall term are as follows:

Thursday, 2:30 – 5:30 pm at the Max Glusken House, Office # 230.

Zoom Meeting ID: 856 2865 9089

Passcode: 311789

Alternatively, here is the hyperlink for virtual office hours:

<https://utoronto.zoom.us/j/85628659089>

N.B. If there are any difficulties with this virtual connection, an email is suggested.

The TAs will also provide their own office hours, which will be announced on QUERCUS, once their tutorial and review sessions have started. A priori, such tutorial assistance will begin as of Week 5 or 6 (September 30 or beginning of October, at the latest).



Additional virtual “roaming office hours” will be regularly scheduled during the semester, (particularly prior to quizzes and exams), while other in-person or virtual office hours are available upon request. (If it is necessary to reschedule office hours [due, for example, to research seminars, administrative meetings or travel], substitute office hours will usually be proposed.)

General Contact and E-mail Communication:

In addition to office hours, an essential channel for having exchanges with both the professor and TAs is via email. In this regard, a dedicated email address specific to our course has been created. This is the best way for us to respond to any questions you may have regarding accommodations, medical issues, absences, office hour arrangements, as well as any other administrative or major course concerns. Please use the email address below as a first point of contact for any course related questions:

ECO365H1F.A@course.utoronto.ca

Course Times and Venues for ECO365H1F:

In general, lectures and tutorials will be held on Wednesdays with the latter starting sometime in October. However, during the first weeks of classes, lectures will be held for three hours and include the tutorial time slots. Towards the end of the term certain lecture slots may be substituted for tutorial time, to facilitate the presentation of group research project presentations.

N.B. Related scheduling announcements will be made on Quercus, including more specific information regarding the organization of tutorials. Except for exceptional scenarios all lectures and tutorials will be in-person.

Lectures:

Wednesday afternoon from 2pm to 4pm (with certain classes extended until 8pm)

- Emmanuel College (part of Victoria College) EM – room 001

Tutorials:

Wednesday afternoon (generally) from 4 to 5pm



(As previously mentioned during the part of the term, as well as later in the course, a number of tutorial session slots will be used for lectures and/or the treatment of exercises with the instructor; towards the end of term certain standard lecture hours may be used for group research presentations, a priori, with one or more tutors. Associated organizational announcements will be made via Quercus.)

- EM – room 001

Summary Overview of Course Requirements and Grading Scheme for ECO365 (Owen)

	Timing	How Evaluated	Weight
<u>First Component</u> <u>(C1)</u>			25%
Attendance	(Required for both lectures and tutorials)	<i>Crowdmarking or other signed sheets</i> (with a 80% tolerance threshold for achieving an “all or nothing” result for validating the 3%)	3%
Textbook Reading Quizzes (using MyLab)	Assigned regularly (but, two <i>[perhaps three]</i> of such (individual) chapter assignments <i>can be dropped</i> over the course of the semester).	Multiple attempts permitted with an 85% threshold of correct answers required for a Pass ; again “all or nothing” result for validating the 85%)	7%
Research Project and “Handwritten”	Group presentations during tutorials in the latter part of the Fall	N/A	15%



Requirement” Term, but with the final written part due at noon on the last day of classes of the term.[†]

Second Component
(C2)

Either 45% of Overall Grade [Scheme I] or 30% of Overall Grade [Scheme II]

Two Midterm Exams and (optional) Term Paper

BEST OF TWO. Two midterm exams and an “optional” term paper are proposed, but only two results (for equal weights) will count.

Each of the two best results count for 50% of C2.

Hence, if a student chooses to do the term paper, only the best of the two midterm exams will count in the grade average for C2.

Each midterm will normally last 110 minutes. They are programmed for the following two dates (starting at the beginning of the regularly scheduled lecture slots).

Currently they are programmed for the following dates. (However, if there is a strong rationale for changing these date (based on a majority class vote at least one week prior to the announced date(s) these dates may be modified.

- **Midterm 1**
Wednesday, October 16 (Week 7)
- **Midterm 2**
Wednesday, November 13 (Week 11)
[†]

Term Paper (15 to 25 pages (double spaced))

Due at 5pm on the last day prior to the official exam period.

Third Component
(C3)

Either 30% of Overall Grade [Scheme I] or 45% of Overall Grade [Scheme II]



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Final Examination

Fall Final Exam Period (3 hours)

***UP TO 4
ADDITIONAL
COURSE BONUS
POINTS for Optional
Essays, Exercises or
Other Assignments
(Beyond standard
100 points, but
overall final grade
capped at 100
points)***

[†] Tentative. Will be confirmed on Quercus

Course Goals

The purpose of this course is to provide a reasonably sophisticated understanding of the basic concepts and techniques used to analyze conceptual, empirical and policy aspects of international finance and monetary economics. A key objective is to show how the principles of international finance and open macroeconomics can offer critical operational insights applied to a wide set of policy and managerial decision-making scenarios. Notably, an understanding of international monetary economics serves as a basis for formulating and critically evaluating optimal international corporate practices and strategies, as well as economic and financial policies at national and coordinated international levels. As such, the analysis will provide critical insights regarding the extent to which economic and financial policies, conceived at national and international levels, are compatible with the stakes of international policy coordination.

The limitations and strengths of concepts and techniques are to be stressed. The course also highlights a wide set of application to contemporary issues impacting international management, economic and financial performance. These relate, for example, to the evolution of the relative competitive position of American and other firms facing competition in increasingly globalized economic and financial markets, which are often subject to complex combinations of systemic and specific shocks. There will also be an emphasis on an understanding of the interrelation between questions of international finance and a wide range of management, business, and economic concerns. These include the sources and consequences of international financial crises and the specificity of development finance questions. A particular emphasis will be placed on understanding how the questions of international macroeconomics and finance can be conditioned by different government fiscal and monetary policies, along with the design of coordinated international policies. Notably, the sources and consequences of such policy initiatives as European Monetary Unification, international debt management, globalization/deglobalization, as well as the determinants of international financial crises will be critiqued. The country and international regional specificity of these and other issues will also be examined with a particular attention to scenarios involving not just industrialized countries, but also developing economies and emerging markets.

Course Objectives

Upon successful completion of this course, students should be able to:

1. Understand the basic institutional environment of international trade, finance and macroeconomic policy making and cooperation.
2. Master the fundamentals of macroeconomics and financial theory from an international perspective.
3. Better assess international financial and macroeconomic risks. Identify worthwhile international Borrowing and investment strategies, while also understanding essential features of international business and portfolio management.
4. Gain familiarity with a wide set of macroeconomic issues relevant to international project and risk

management.

5. Understand the effects of the determinants of exchange rate movement in both the short and long-run, as well as key implications of changes in exchange rates and international patterns of inflation for firms' and countries' international competitiveness and performance.
6. Examine the critical role of alternative exchange rate regimes and degrees of international capital mobility for explaining the potential efficacy of fiscal and monetary policies.
7. Scrutinize the effectiveness of national macroeconomic policies, in light of associated international stakes and the rationale for international policy coordination
8. Appreciate specific dimensions of how macroeconomic and international financial performance, including notably sustainable economic growth, is conditioned by different stages of economic development, leading to distinctive scenarios for specific groups of industrialized and developing countries, including the specific challenges, in this regard, posed by emerging markets
9. Assess essential issues relating to the international economy and the global challenges of climate change.

Furthermore, a key course objective is to foster critical analysis and appraisals of current events relating to international finance and open economy macroeconomics, in light of a wide set of conceptual and empirical tools fostered during this course.

Course Communication

Students can expect to receive *important organizational and other communications* from the instructor via course “**Announcements**” on QUERCUS throughout the academic year. Students are also responsible for all official correspondence sent through their University of Toronto email address. Email inquiries are typically answered within 24-48 hours during business days. (N.B. If you have not received a response to an inquiry within a day or two, please do not hesitate to send a “nudge” reminder.)

Throughout the semester, it is very important to ***regularly check the QUERCUS*** course site. It is strongly recommended to *enable notifications* for the course's due dates and announcements on QUERCUS from your *Account > Notification section*, to keep track of course news, reminders and important deadlines (**setting notification preferences as a student**).

Diversity and Accommodations:

1. Diversity

Teaching-Team Role: It is the University's intent that students from all backgrounds and perspectives be well served by each course. The diversity that students bring to this class is a strength and benefit. Hence, materials will be presented and activities undertaken in a way that is respectful of this diversity, including in the dimensions of race, culture, ethnicity and national origin, gender and gender identity, sexuality, socioeconomic class, age, religion, and disability. In this regard, any concerns and suggestions that you wish to share are encouraged and appreciated.

While it is not possible to change names on the course roster, please use the administrative matters email to inform all teachers, in order that the most suitable name can be used whenever possible. Students may also share your gender pronouns.

A Student's Role: The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of university community can express themselves, engage with each other, and respect one another's differences. The University does not condone discrimination or harassment against any persons or communities.

2. Accommodations

a. Accessibility Accommodations

The University provides academic accommodations for students with disabilities in accordance with the terms of the Ontario Human Rights Code. This occurs through a collaborative process that acknowledges a collective obligation to develop an accessible learning environment that both meets the needs of students and preserves the essential academic requirements of the University's courses and programs. Students with diverse learning styles and needs are welcome in this course. If you have a disability that may require accommodations, the first step is to contact Accessibility Services. If you are entitled to accommodation (e.g., extra time, accessible space) on assessments, you must register for them with Accommodated Testing Services. Again, a relevant email link for communication has been provided.

b. Religious Accommodations

The University provides reasonable accommodation of the needs of students who observe religious holy days other than those already accommodated by ordinary scheduling and statutory holidays. It is an individual student's responsibility to alert us in a timely fashion to upcoming religious observances and anticipated absences that affect your ability to fully participate in this course. Every reasonable effort for consideration will be made and a reasonable effort will be made to schedule compulsory activities when

appropriate.

In-class Electronic Device Usage Policy

It can be noted that the ***effective use of class time*** is critical to achieving the pedagogic overall objective of learning and achieving a strong mastery of course lectures and materials. In this regard, the use of electronic devices should be ***strictly limited to objectives directly related to learning related to this course*** and not for other purposes. In the case that the use of computers, mobile phones, smart watches, etc. becomes a distraction to the learning process, students will be kindly asked to turn such devices off during the class periods.

Course Materials

Required textbook:

The **textbook material** for this course is:

- **MyLab + eText for International Economics: Theory and Policy, 12e**
ISBN: 9780135766880
Authors: **Paul R. Krugman, Maurice Obstfeld, Marc Melitz**
Publisher: Pearson ©2022

The bibliographic reference for the hardcover copy of this textbook is as follows:

Paul R. Krugman, Maurice Obstfeld and Marc Melitz, **International Economics: Theory and Policy**, Hoboken, NJ: Pearson Education, Twelfth Edition, 2022, (ISBN – 13: 978-0-13-576685-9)

- **MyLab Economics:** Certain assignments are principally submitted online using MyLab Economics, a program provided by the publisher of the textbook. Details on the program and registration instructions is available on QUERCUS under **Modules > Module 01 – Getting Started....**

Further information: What is **MyLab**?

- Online homework: for this course you will have homework to complete within MyLab.
- eBook: with the interactive eBook you highlight, take notes, and bookmark within MyLab.
- Study Tools: MyLab has premade study tools built right into the learning path and inside of the eBook to help you master the content.
- A mobile app, you can download the “Pearson+” app and have access to the eBook, assignments, and study tools wherever you go.



The information on important dates and how to access the relevant course materials (or how to opt out, if you choose to do so) is available in QUERCUS. You may opt out of this content. However, not having the access to the required **MyLab(w/eBook)** materials will prevent your ability to do the homework, quizzes and access the eBook, this could impact your outcomes in this course. The link to access the **Pearson MyLab (w/eBook)** is under the “**GETTING STARTED**” Module in QUERCUS. The module includes a link named “How to purchase the Krugman textbook and use **MyLab**”. (You will have a trial access time frame for the use of your materials, after that you must purchase to maintain your access.) There also is a Course Support link for any technical questions you may have regarding the use of the textbook and **MyLab**.

Please note that technical specifications and helpful links for the course technical requirements are also available on QUERCUS under **Modules > Getting Started....**

Other Textbooks for General Academic Reference: (not required):

There are many worthwhile alternative international economics and finance textbooks, which can provide complementary perspectives and expositional approaches for specific topics. These include:

Appleyard, Dennis R. and Alfred J. Field, Jr., **International Economics**, New York: McGraw Hill Education, 12th Edition, 2017, ISBN – 13: 978-1-259-29062-6

Eiteman, David K., Arthur I. Shonehill and Michael H. Moffett, **Multinational Business Finance**, Pearson, Sixteenth Edition, 2023, ISBN – 13: 978-0-137-49601-3

Feenstra, Robert C. and Alan M. Taylor, **International Economics**, New York: Worth Publishers (Macmillan Learning), Eleventh Edition, 2021, (ISBN – 13: 978-1-319-218508)

There are also a large set of introductory, microeconomic and macroeconomic textbooks, which can provide either a review of basic material and/or treatment of a wide range of somewhat more advanced topics and applications. For example, those involving macroeconomics include the following introductory and intermediate textbooks (among potentially others), which are highly recommended:

N. Gregory Mankiw, **Principles of Macroeconomics**, Boston, MA: Cengage, Ninth Edition, 2021, ISBN – 978-0-357-03831-4

N. Gregory Mankiw, **Macroeconomics**, New York: Worth Publishers (Macmillan Learning), Eleventh Edition, 2022, ISBN – 13: 978-1-319-26390-4 and ISBN – 10: 1-319-26390-9

In the realm of intermediate microeconomics, the following textbooks can also be noted:

Nicholson, Walter and Christopher Snyder, **Microeconomic Theory: Basic Principles and Extensions**, Boston, MA: Cengage, Twelfth (or more recent) Edition, 2017, ISBN – 13: 978-1-305-62902-8

Course Work/Requirements: Further Specifics

1. There are a number of critical elements, which define the overall work and requirements of the course. These include **regular textbook readings, consistent attendance and active participation** in class/lectures, **keeping up** with assigned weekly **reading quizzes**, **completing a group research project** (*along with a short-written assignment*) **eventual other homework assignments**, and/or **course discussion questions**, as well as an overall satisfactory performance on **exams**. In addition, it is vital that students *actively follow and scrutinize* **recent international economic developments**. It can also be noted that, when specifically specified, certain homework assignments, course discussion questions and other/or assignments may involve students working together. As already noted, full participation in one of the small in-class **student group presentations** is an important



course requirement.

Throughout the course, students are very much encouraged to **actively contribute** to classroom discussions regarding ongoing current US and global macroeconomic performance. In this regard, an important both individual and collective contribution is the identification of articles and/or other reading materials of relevance to current international economic issues and to regularly “bring them into the classroom”. Such an objective is of particular importance in the present period of ongoing unprecedented crises, which have/are generating interrelated microeconomic and macroeconomic impacts.

- There will be from 9 to 14 regular **textbook reading quizzes** this semester, but a student is only required to complete a subset of these textbook chapter “Practice” quizzes (**a priori, 9, but may be reduced**) on MyLab. These must be submitted either online using **MyLab** (when possible) or, otherwise, in electronic format and/or physical copies (as will be subsequently specified, when relevant). While students should try to complete **all** of these weekly textbook reading quizzes and homeworks, *a priori*, again **only 9** need to be formally submitted each semester (with the exact number to be subsequently announced, as a function of student progress). Each weekly combination of textbook reading quizzes will be graded on a **pass/fail** basis with, a priori, a threshold of 85% being required for a pass. Further specifics regarding the scheduling of these weekly reading and study assignments will be indicated separately in course announcements on **QUERCUS**. (Students are encouraged to submit answers to more than the 9 formally required assignments over the course of the semester, in order to strengthen understanding and performance.)
- **Submission deadlines** for the textbook reading quizzes are somewhat **flexible** (unless, there is an official course announcement of a pressing deadline), but will generally follow the calendar set forth in the tabular presentation of the overall **Course Calendar**. It is the student’s responsibility to keep up with the textbook readings prior to the treatment of announced topics in lecture. In general, it is advisable to try to meet the assignments’ deadlines provided in the present syllabus or subsequently announced modifications of those deadlines over the course of the semester. Target deadlines will be adjusted on the MyLab Economics platform. Nonetheless, as a more general matter, certain adjustments in the scheduling of reading assignments, group presentations and/or mid-term exams may be made, in order to pace the overall learning for the class, as a whole. Such scheduling changes will be announced in a timely manner (with at least one week’s notice). Eventual schedule modifications may also be provided in an **Operational Calendar**, which will contain definitive changes in the scheduling of required academic work.
- Detailed instructions on registration for **MyLab** and submission of assignments are provided on the course site on QUERCUS under **Modules > Getting Started...**



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- **Note: Assignments in MyLab Economics** include “Dynamic Study Modules” (adaptive quizzes), which are optional, but highly recommended. The “Study Plan”, for each chapter is systemically required, as part of the regular weekly assignments. In addition, a number of “End of Chapter Problems” (homework) are relevant to our course, but *not required*.



Such assignments can be accessed directly either via **MyLab**, or through the corresponding **Module** or **Assignments** menu items on QUERCUS.

- The course parameters for the **Textbook Reading Quizzes** and **End of Chapter Problems**, using **MyLab**, will be set so as to allow unlimited attempts for each question or problem. Nonetheless, there will a 5% penalty for each wrong answer for each separate quiz attempt. After you submit the responses to a quiz or homework assignment on **MyLab Economics**, your performance will be reviewed and afterwards the score will be transferred to QUERCUS.
- If you spot any software errors in either access to, or in the grading of the quizzes after your submission, please inform the instructor. When doing so, please make sure to include the assignment number, in the subject line of your email.

2. There will be **three in-person proctored exams – specifically, two mid-terms and a final exam**. *Attendance is required* and these sessions will comprise the full allotted times for the relevant Wednesday lecture time slot in the case of the midterms and the 3-hour final exam (scheduled by the university during the Fall exam period. ***All exams are cumulative.*** Notably, the final will be comprehensive and cover *all course materials*. As such, it will likely include a question relating to topics treated in the student group presentations. Additional information regarding organization and strategies for exam preparation and review will be provided via announcements concerning “**Preparation for Taking Exams**” on the designated dates provided in the Course Calendar (along with eventual additional information provided in the Operational Calendar).

- A priori, the exams will be taken in a relatively conventional setting (using paper sheets, etc.), but the possibility of electronic exams also exists. Further announcements regarding the specific modalities of each exam will be provided prior to the exam in a timely way.
- All of the exams are ***closed book***, so no notes or written materials are permitted. Scratch paper will be provided.
- Also, **no electronic or other devices of any kind** (other than a personal computer, in the case of an electronic exam) will be allowed during examinations. Furthermore, any eventual use of **personal computers will be exclusively for testing purposes**. This means that you are not permitted to consult any QUERCUS files or notes other than those containing the actual exam. No other computers,

monitors/screens, tablets, smartphones or smartwatches, etc. Headphones are also **not allowed** during the exams and quizzes.

- As a student taking a University of Toronto course, you are bound by the **Honor Code**, which means that you need to complete these exams by yourself, without assistance from any other person and abide by the exam rules posted on this course's QUERCUS site. As previously mentioned, this means that the exams will be "closed book" and that no access to any notes is allowed.
- If necessary, further **Exam Rules** will be made available on QUERCUS under **Modules > Exams**. Each student is responsible for reading and respecting all the exam rules during each test.
- Additional information regarding **examination ranges, exam rules, technical requirements and system setup** may be available on the course Web site on QUERCUS under the **Exams** module. Each student is responsible for reading all the examination information, respecting all the exam rules and ensuring that the identification, location and technical requirements for the exams are met.

Academic Requirements and Grading Policy

As indicated previously, the overall evaluation of students' performance in the course is based on a weighted average of the following three essential components:

Component #1 (C1): **Class Attendance, Textbook Reading Quizzes**, as well as a **Written Assignment** (in the form of *Group "Mini- Research Project PowerPoint Presentations and Executive Summaries"*) **and** other **Optional Assignments** (including eventual Course Assigned Exercises and/or Discussion Questions)

The required part of this component represents a **total of 25 points** towards the final course grade, and is based on:

- i. **Attendance and active participation** (*in both lectures and tutorials*)
 - This sub-component is worth **3 points**, if met fully.
- ii. **Textbook Practice Quizzes**



- *A priori*, 8 textbook practice quiz assignments this semester, corresponding to each of the major textbook chapters (out of a total of 11 specified in the overall set of course topics) – Pass/Fail . The number of Passes required to get full credit for this sub-component of the overall grade [i.e. C1] depends on the overall number of Quiz assignments during the year minus three Quiz assignment results (which are then dropped). (The threshold for a “Pass” for each of these assigned textbook quizzes/problems is set at 85% and, an unlimited number of attempted responses will be allowed. These “practice” quizzes are based on **Textbook Readings** and are contained in **MyLab**. Hence, again, students are **required** to have access to the textbook electronic resources, in order to receive the associated final grade course points.

- This sub-component is worth **7 points** if met fully.

(N.B. If a student does not achieve a passing result for the full set of textbook practice quizzes required over the year, no credit will be given.)

iii. **Written Assignment (in the form of Group “Mini-Research Projects, comprising Group and Individual PowerPoint Presentations and Individual Executive Summaries)**

- This sub-component is worth **15 points**, if met fully.

*These student presentations, which will be presented, for the most part, **in tutorials** represent an integral part of the overall course materials for which each student is responsible.
Further guidelines regarding topics, content and*

organization for these research projects, presentations and their write-up will be provided in a timely fashion at the beginning of tutorials. However, unless otherwise announced in Quercus, the written part of this requirement will be due at the time of the last class/tutorial session of the term.)

iv. Optional Bonus Course Assignments

- This sub-component is potentially worth up to **4 points**.
- This will be based on certain optional discussion questions, exercises or another assignment(s), which will be specified in lecture or tutorials.

Accordingly, a hard-working student could achieve, in theory, a total of *104 points* for their individual work in this course. (However, the highest overall final grade will be *capped at 100 points* in line with university policy.)

N.B.1 Further specifics regarding the timing of the practice quizzes will be provided in *regular QUERCUS Announcements* and in the **Operational Calendar**. Again, all of the “Practice” quizzes are required, in the sense that students are responsible for the full set of associated work, even if they did not do one for any given textbook chapter. Answers for both the chapter quizzes will be revealed shortly prior to exams.

Component #2 (C2): Mid-term Exams and Optional Term Paper*

Again, there are three potential elements, which are proposed: two midterms and an optional term paper, but only two will count for this course component. (So, in effect, the lowest midterm exam result can be dropped. As a consequence, the second midterm will be cumulative.).

Weights of 50% are assigned for each of the two “best of” results, determining C2.



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Component #3 (C3): Final Exam

This will be a comprehensive three-hour exam, covering all lecture and other course materials, which will be scheduled by the University, in the formal exam period at the end of the Winter term.



Determination of Overall Grades:

Students final overall course performance will be evaluated on the basis of the most favorable of their results, as determined by the following two alternative grading schemes:

Scheme I:

25 % for C1

45 % for C2

30 % for C3

Scheme II:

25 % for C1

30 % for C2

45 % for C3

While the final grade is largely based on a scale involving an overall **total of 100 points**, there will be (, as previously indicated) be up to **4 Course Bonus Points**. These will be attributed for Optional Hand-in Course Discussion Questions and Exercises proposed during the course of the semester. Certain of the proposed Bonus Point discussion/exercise question writeups entail an *optional short essay*. Again, it follows that a “perfect” course performance would potentially correspond to a total of 104 points (in light of the overall number of eventual proposed course bonus points). (Yet, for such an exceptional performance



a final course grade of 100 will be attributed (corresponding to an A+.)

Quiz and Exam Schedule Summary: (The following are the current *target dates*, since they are subject to final administrative confirmation from the university, based on classroom availability, etc. Final times and venues will be subsequently reconfirmed via QUERCUS [and in an updated version of this syllabus].)

Midterm 1 (110 minutes, but additional time may be allowed) on Wednesday, October 16 (Week 7)

Midterm 2 (110 minutes, but additional time may be allowed) on Wednesday, November 20 (Week 11)



Final Examination – A three-hour exam will be scheduled by the University during the official Winter term final exam period.

Academic Integrity

While certain additional guidelines may apply for particular activities, the over-arching rules are simple. For anything that counts towards your course grade:

- You may not receive or give any assistance from or to another individual, whether they are enrolled in the course or not.
- When an assessment is underway, if you or another student have not yet taken an assessment, no communication between students is allowed.

Issues of academic integrity need to be taken very seriously. In addition to harming potentially a student's own development as a scholar, academic misconduct violates the trust placed by one's peers, harms the academic community to which a student belongs, and ultimately lessens the value and prestige of a University of Toronto degree. Suspected cases of academic misconduct will be reported to the Department of Economics and Dean's Office. The consequences can be severe.

Being unaware of the policies or what is considered unauthorized collaboration (e.g., plagiarism) is not a defence. If you have questions or concerns about what constitutes appropriate academic behaviour, please reach out to your TA or professor. Please know that the University expects you to seek out additional information on academic integrity from faculty members or from other institutional resources. The University's Academic Integrity website is an excellent source of information. Furthermore, it is a course requirement that you have read University's Code of Behaviour on Academic Matters, especially section B which outlines what are considered academic offences.

Generative AI

Generative AI — including but not limited to Chat GPT— is not permitted for any graded assignment in this course. Furthermore, any submitted paper assignments must be written unassisted by yourself (alone!). One exception to this statement involves the Group Research Project Presentations, for which cooperation between students is definitely encouraged, but submitted PowerPoint presentations must be exclusively written by member of a given student group. **However, again no Generative AI will be allowed.**

(N.B. A more general statement reflecting University of Toronto policies may be added here.)



Course Calendar:

Lecture Topics, Reading and Homework Assignments, Quizzes and Exams

For each weekly hour of lecture and tutorial class time students may be expected to spend at least 3 additional hours of individual or collective study time for each week in the semester.

General course topics, along with the assigned textbook chapter readings, are presented here in roughly the chronological order that they will be addressed in lecture. As a general matter, students are expected to keep up with the reading of required chapters – sometimes ahead of lectures and/or textbook practice quizzes. It is a good idea to master materials as they are presented in class. In order to assist you in this regard, numerous sets of textbook PowerPoint slides will be provided, on a regular basis. In addition, separate lecture notes, summary reviews of essential topics, along with documents containing graphical illustrations, will often be provided.

Course exams will relate not just on textbook materials, but any other key subjects developed in lecture. Such evaluations are aimed at assessing a student's overall course performance, which is *by no means limited to responses* to textbook quizzes and assigned problem exercises.

The following calendar should be viewed as ***somewhat tentative***. It offers a reasonably detailed scheduling perspective relating to the treatment of textbook chapter topics, lecture content and assignments. While reasonably definitive, the following outline may be modified, if necessary, over the course of the semester. More specifically, there will be a certain degree of flexibility regarding the timing of the contents of lectures, which may include additional topics and materials, not necessarily treated (notably, as fully) in the textbook. Furthermore, a general pedagogic approach throughout the course is to emphasize a thorough mastery of concepts and modeling approaches, while not being bound to cover all the vast set of topics proposed in the textbook. In sum, it will be preferable to learn “less material well”, than to necessarily cover all textbook topics “more superficially”.

In addition to the information provided below, an “**Operational Calendar**” and/or *QUERCUS announcements* will provide a series of eventual updates, regarding reading assignments, quizzes, exams, student presentations, as well as announcements regarding any other relevant course organizational questions.

Course Outline, including Topics and Details of Textbook Readings

Submission Deadlines for Quizzes and Homework Assignments, as well as Deadlines for the Completion of Chapter Readings

Topics 1: An Overview Perspective regarding the Global Trade and Financial Environment, including Balance of Payments Concepts and Exchange Rate Mechanisms

***Specific Topics:* International Monetary Economic Analytics and Methodology in a Global Context; Globalization and the Challenges of Recent and Ongoing Trade and Financial Crises; (Brief) Review of Certain Basic International Economic/Financial Tools, including Exchange Rate Markets and Adjustment Mechanisms; Balance of Payments Concepts**

Reading:

Specific textbook chapters (and assigned pages):*

Chapter 1 “Introduction”, pp. 1 - 9

Chapter 2 “World Trade: An Overview”, pp. 10 – 23 (statistical graphs pp. 772 -775) – skim (no textbook chapter quizzes for the following)

Chapter 13 “National Income Accounting and the Balance of Payments” (including case study), pp. 324 - 354

Chapter 14 “Exchange Rates and the Foreign Exchange Market: An Asset Approach” (including case study), pp. 355 – 390

Course Lecture Notes and PowerPoints[^] (available on QUERCUS)

[^] To be further specified in lecture and the Operational Course Calendar

*based on 12th Edition of the hardback textbook version

Weeks 1, 2 and 3 (+)
September 3 - 22*

(Reading material, covered in the Quizzes#1 and are required for Week 3. So, there are not any textbook quizzes or assignments explicitly called for during this first week of classes, while the focus is on assigned textbook readings.)

N.B. The textbook reading quizzes for different weeks will often include material from multiple textbook chapters, as subsequently specified for each indicated topic(s).

NB. Reading material is generally tested the following week throughout the semester.

(+) Note: This week starts after the summer holiday break on the first day of lectures, Tuesday, September 3. I hope you will have enjoyed your summer and are enthusiastically looking forward to this semester and our course.

**** This topic may well spill over into lectures in Week 4.***

*****Exercise Set #1 to be assigned. (Associated due date to be indicated in lecture.)***



Course Outline, including Topics and Details of Textbook Readings

Submission Deadlines for Quizzes and Homework Assignments, as well as Deadlines for the Completion of Chapter Readings

Topics 2: International Money Markets and Exchange Rates – An Overview Framework and Basic Adjustment Mechanisms; Purchasing Power Parity and International Arbitrage; Covered and Uncovered Interest Differentials

Reading

Specific textbook chapters (and assigned pages):*

Chapter 15 “Money, Interest Rates, and Exchange Rates”
(including case study), pp. 391 - 425

Chapter 16 “Price Levels and the Exchange Rate in the Long Run”
(including appendix), pp. 426
- 463

Course Lecture Notes and PowerPoints[^] (available on QUERCUS)

[^] To be further specified in lecture and in the Operational Course Calendar

Weeks 4 and 5
September 30 – October 8

Textbook Reading Quizzes for Chapters 1, 13 and 14 and Exercise Assignment #1

*N.B. Includes all textbook reading quiz questions corresponding to material covered in Chapters 1, 2 and 3 under Topics 1. In addition, a limited number of additional problem exercises and/or discussion questions may be specified in lecture. Such eventual exercise add-ons will be specified in both course and tutorial announcements and/or in the **Operational Calendar**.*

Proposed Due Date for Reading Quizzes for Chapters 1, 13 and 14:

9/30/24*

*N.B. *All textbook reading quizzes and (exercise) assignments during the term are due at midnight on the indicated day. A limited number of additional problem exercises and/or discussion questions may be specified in lecture or tutorial and eventually counted towards course bonus points.*

Proposed Due Date for Reading Quiz Chapters 15 and 16:

10/23/24*

****Exercise Set #2 to be assigned.
(Associated due date to be indicated in lecture.)**

Course Outline, including Topics and Details of Textbook Readings

Submission Deadlines for Quizzes and Homework Assignments, as well as Deadlines for the Completion of Chapter Readings

Important Notice:

Midterm 1 is scheduled for Week 7 on

Wednesday, October 16

(during the 2-hour Lecture Time Slot). In principle, this midterm will be for 90 minutes, but you may be allowed to have at least 1 hour and 10 minutes. Additional organizational announcements will be made in the Operational Calendar.

Further information will be provided under “Exam and Quiz Preparation” on QUERCUS. In principle, an **Optional Review Session** will be proposed before this and other exams.

Topics 3: Determination of Exchange Rates in the Short-Run, Foreign Exchange Intervention, Exchange Rate Volatility and Capital Flows; The Anatomy of International Financial Crises and Exchange Rate; Open-Macroeconomic Stabilization Policies

Specific textbook chapter(s) (and assigned pages):*

Chapter 17 “Output and the Exchange Rate in the Short Run” (including case study and appendixes), pp. 464 - 516

Week 6, 7 and 8 (+)
October 7 – 27

Textbook Reading Quizzes #3

N.B. Includes all textbook reading quiz questions corresponding to material covered in Chapters 15 through 18 under Topics 2 and 3. In addition, a limited number of additional problem exercises and/or discussion questions may be specified.

Course Outline, including Topics and Details of Textbook Readings

Submission Deadlines for Quizzes and Homework Assignments, as well as Deadlines for the Completion of Chapter Readings

Chapter 18 “Fixed Exchange Rates and Foreign Exchange Intervention” (including case studies and appendixes), pp. 517 - 562

Course Lecture Notes and PowerPoints[^]
(available on QUERCUS)

[^] To be further specified in lecture and the Operational Course Calendar

****Exercise Set #3 to be assigned.**
(Associated due date to be indicated in lecture.)

*in lecture. Such eventual exercise add-ons will be specified in both course and tutorial announcements and/or in the **Operational Calendar**.*

Proposed Due Date for Reading Quiz Chapters 17 and 18:
10/14/24*

Topics 4: International Monetary Systems and the Role of International Monetary Institutions; Financial Globalization and the Stakes

Specific textbook chapter (and assigned pages):*

Chapter 19 “International Monetary Systems: A Historical Overview” (including case studies and appendix), pp. 563 - 626

Chapter 20 “Financial Globalization: Opportunity and Crisis” (including mathematical postscript), pp. 627 - 663 and pp. 764 - 771

Course Lecture Notes and PowerPoints[^] (available on QUERCUS)

[^] To be further specified in lecture and the Operational Course Calendar

Weeks 8 and 9
October 30 – November 17

Textbook Reading Quiz #4 and Homework Assignment #4

N.B. Will likely include all textbook reading quiz questions corresponding to material covered in Chapters 19 and 20 under Topics 4. Additional problem exercises and/or discussion questions may be specified in the course announcements and/or the **Operational Calendar**.

Proposed Due Date for Reading Quizzes Chapters 19 and 20:
11/4/24*



Course Outline, including Topics and Details of Textbook Readings

Submission Deadlines for Quizzes and Homework Assignments, as well as Deadlines for the Completion of Chapter Readings

Happy Fall Reading Week and Recess! – during week of October 28. corresponding to the fall break. It is hoped that class members will enjoy a uniquely convivial time, while benefiting from an opportunity to “recharge the batteries” and, if necessary “catch up”. (Let’s hope that, depending on temperatures, it will be possible to enjoy the outdoors!),

Topics 5: International Monetary Cooperation; Monetary and Financial Integration: Pros and Cons; Optimum Currency Areas and the EMU Experience; Governance, Country Risk and Their Relation to Economic Development and International Financial Risk

Reading:

Specific textbook chapters (and assigned pages):*

Chapter 21 “Optimum Currency Areas and the Euro”, pp. 664 - 703

Chapter 22 “Developing Countries: Growth, Crisis, and Reform” (including boxes), pp. 704 – 749

Course Lecture Notes and PowerPoints[^] (available on QUERCUS)

[^] To be further specified in lecture and the Operational Course

Important Notice:

Mid-term Exam is scheduled for Week 7 on Thursday, October 16

(during the 2-hour Lecture Time Slot). In principle, this exam will be for 90 minutes, but you will, normally, be allowed to have up to 1 hour and 10 minutes. Additional organizational announcements will be made in the Operational Calendar.

Further information will be provided under “Exam Preparation” on QUERCUS. In principle, an **optional review session** will be proposed.

Weeks 9, 10 and 11
November 20 – December 1

Textbook Reading Quiz #5 and Homework Assignment #5

N.B. Will likely include all textbook reading quiz questions corresponding to material covered in Chapters 4, 5 and 6 under Topics 5. Additional problem exercises and/or discussion questions may be specified in the course announcements and/or the **Operational Calendar**.

Proposed Due Date for Reading Quizzes Chapters 21 and 22:
11/18/24*



Course Outline, including Topics and Details of Textbook
Readings

Submission Deadlines for Quizzes and
Homework Assignments, as well as
Deadlines for the Completion of Chapter
Readings

Calendar

Proposed Due Date:

11/24/24

****Exercise Set #4 (and associated
discussion questions) to be assigned.**

Important Notice:

**Midterm 2 is scheduled
for Week 11 on
Wednesday, November**

20 (during the 2-hour Lecture
Time Slot). In principle, this exam
will be for 90 minutes, but you will
be allowed to have at least 1 hour
and 50 minutes. Additional
organizational announcements
will be made in the Operational
Calendar.

Further information will be provided
under "Exam and Quiz Preparation"
on QUERCUS. In principle, an



*Course Outline, including Topics and Details of Textbook
Readings*

*Submission Deadlines for Quizzes and
Homework Assignments, as well as
Deadlines for the Completion of Chapter
Readings*

*optional Review Session will be
proposed.*

Topics 6: Final Presentation of Group Research Project

Weeks 9 to 11

***November 6, 13 and 20
(with an eventual fallback, if
absolutely necessary to November
27)***

Important Deadline:

***Unless extended via a
Quercus announcement,
the written component
of the individual/group
research projects is due
by the time of the last
lecture on November 27.***

***(Further details regarding
these projects, which will be
organized and presented in
tutorials, will be elaborated
in a document, which is to
be distributed towards the
beginning of the tutorials.***




*Course Outline, including Topics and Details of Textbook
Readings*

*Submission Deadlines for Quizzes and
Homework Assignments, as well as
Deadlines for the Completion of Chapter
Readings*

Important Notice:

***Final Exam is to be
scheduled during the
final during the Final
Exam Period.*** In principle,
this exam will be for 120 minutes,
but you will be allowed to have up
to 3 hours. Additional
organizational announcements
will be made in the Operational
Calendar.

Further information will be provided
under "Exam Preparation" on
QUERCUS. In principle, an optional
review session will be proposed.

 **Communications:** As mentioned earlier, students can expect to receive communications from the instructor via course “**Announcements**” on QUERCUS throughout the semester. Students are also responsible for keeping up to date with all official correspondence sent through their University of Toronto email address. Email inquiries are typically answered within 24-48 hours during business days. Privacy considerations, such as federal and provincial law, may apply when using an address other than the University email address.

Syllabus

Exams: Students are expected to take the exams at scheduled times (ranges), unless permission has been granted by the instructor in advance. All mid-term exams should entail **individual work** and, as previously indicated, will be “**closed book**”. Collaboration of any kind on exams is not permitted under any circumstance and the exam rules (available on QUERCUS under Announcements or Modules > Exams) need to be respected.

Attendance:

Specific issues relating to attendance policy, absences and related questions are addressed as follows:

Lectures:

Attendance in both lectures and tutorials is definitely required and will be verified using **Crowd-marking or other written responses**. Students are fully responsible for the content of all lectures and it is each individual’s responsibility to master missed materials. If you cannot make lecture, it is recommended that you be in contact with another student(s) (hence, an academic “buddy”) to get related information and eventual notes (beyond those which are regularly posted on QUERCUS).

Due consideration will be given to approved university excuses for missed attendance. These can relate to health concerns, family emergencies, major university sporting events, etc. As such, it is the responsibility of individual students to inform the course administrators (via email), as

possible (normally, within 24 hours). Where appropriate administrative justifications for such an absence(s) should also be provided. To facilitate the administrative processing of such written exchanges, students are asked to include in the subject line of email a reference to either “International Trade Theory” or “ECO364H1F”, while specifying the specific reason for such absences. Such correspondence should also specify the reason for the absence (as, for example, “Absence due to medical reasons”), as well as the likely period of absence. The ultimate course decision to validate such absences will be taken by the instructor, in consultation, if necessary, with concerned university administrators.

Inclement Weather/Class Cancellation: Although it is our intent to offer every class at its assigned time, on rare occasion there are weather or other emergency events that require that alternative arrangements are made for class delivery. If that happens, please stay alert for an email from me indicating how the class will be handled. This may include: 1) Cancelling the class completely – all reading and work that was due is expected to be completed and turned in on time through QUERCUS; 2) Holding an online version of the class (i.e., via Zoom)– you will receive an email invitation to join the session remotely from a computer with an internet connection – headphones are recommended; 3) using recorded videos and presenting other materials to you through QUERCUS so we can cover the course materials asynchronously.

Class Recording Policy:

Eventual video recordings for this course will be available only to students registered for this class. These recordings are the intellectual property of the faculty and they may not be shared or reproduced without the explicit, written consent of the faculty member. Further, students may not share these recordings or materials with those not in the class, or upload them to any other online environment. Doing so should be considered as a breach of the Code of Student Conduct.

Missed or late course work: Per University policy, any type of coursework such as homework assignments or exams missed, or completed late, due to illness, mandatory religious obligations, University activities, or other unavoidable circumstances are excusable. However, coursework missed or late work due to family activities, employment obligations, early departures from campus, or avoidable circumstances are not excusable. Excusable missed course work will be accommodated if you email the course administrators before the missed coursework deadline (when possible), or as soon as possible after the deadline has passed.

How to Get Help: Learning Resources and Tutoring

Instructor and Teaching Assistants. (The latter information for the TAs is to be subsequently indicated):



*Again, Contact Information, including
Office Hours is as follows:*

Name	Email	Office	Office Hours
Robert F. Owen (Professor)	robert.owen@utoronto.ca	230 Max Glusken House	Virtual Office Hours (fixed and “roaming”), as indicated at the beginning of the syllabus

Tutoring: The University of Toronto offers tutoring and other resources to help you succeed in this and your other courses. For more information, please visit the appropriate University websites.

Office of Teaching, Learning, and Technology Resources: Resources on online learning strategies, study skills and time management are also available on appropriate University websites.

Collegiate Policies and Guidelines

To be eventually further specified.