

# **ECO230Y1Y - International Economic Institutions and Policy**

## **Winter 2011**

Instructor : Kunal Dasgupta

Office : Max Gluskin House, 150 St George Street, Room 328

E-mail : [kunal.dasgupta@utoronto.ca](mailto:kunal.dasgupta@utoronto.ca)

Website : <http://www.economics.utoronto.ca/kdasgupta/teaching.htm>

Office hours : Wednesday 4:30-6 p.m.

### **Course outline**

#### **1. National Income Accounting**

Required reading :

- KO Chapter 12

Recommended reading :

- “’04 Trade Deficit Sets Record, \$617 Billion”, *NYTimes*, February 11, 2005.

#### **2. The Foreign Exchange Market**

Required reading :

- KO Chapter 13

Recommended reading :

- “Euro Strengthens With European Economy”, *NYTimes*, May 09, 2006.
- “Dollar rises on surprise Federal Reserve move”, *BBC News*, February 19, 2010.

#### **3. Money, Interest Rate and Exchange Rates**

Required reading :

- KO Chapter 14

Recommended reading :

- “China Moves to Tighten the Money Supply”, *NYTimes*, January 06, 2007.

#### **4. Price Levels and the Exchange Rate in the Long Run**

Required reading :

- KO Chapter 15

Recommended reading :

- “International Business: With an Eye on Inflation, Europe Raises Rate Again”, *NYTimes*, December 08, 2006.

#### **5. Output and the Exchange Rate in the Short Run**

Required reading :

- KO Chapter 16

Recommended reading :

- “An Economy of Extremes”, *NYTimes*, December 26, 2006.

#### **6. Fixed Exchange Rates and Foreign Exchange Intervention**

Required reading :

- KO Chapter 17

Recommended reading :

- “China Slightly Loosens the Reins on Its Currency’s Market Fluctuation”, *NYTimes*, May 19, 2007.
- “China’s exports rise sharply in February”, *BBC News*, March 10, 2010.

#### **7. The International Monetary System**

Required reading :

- KO Chapter 18

Recommended reading :

- “I.M.F. Accepts Standstill to Let Argentina Work on Debt”, *NYTimes*, September 01, 2004.
- “Fear of the dragon”, *The Economist*, January 7, 2010.
- Krugman, Paul “Taking On China”, *NYTimes*, March 14, 2010.

## **8. Optimum Currency Areas and the Euro**

Required reading :

- KO Chapter 20

Recommended reading :

- “Central Bank Remains Silent as the Euro Rises”, *NYTimes*, September 01, 2004.
- “In the Land of the Euro, Small Towns Adopt Alternative Currencies”, *NYTimes*, February 09, 2007.
- “Euro rises against the dollar on Greek austerity plan”, *BBC News*, March 03, 2010.

## **8. Crisis in the Developing World**

Required reading :

- KO Chapter 22

Recommended reading :

- “Argentine Peso Sinks to New Lows as Crisis Continues”, *NYTimes*, January 17, 2002.
- Radelet, Steven and Jeffrey D. Sachs and Richard N. Cooper and Barry P. Bosworth, “The East Asian Financial Crisis: Diagnosis, Remedies, Prospects”, *Brookings Papers on Economic Activity*, Vol. 1998, No. 1. (1998), pp. 1-90.