



UNIVERSITY OF
CALGARY

Department of Economics Course Outline

		Term:	Winter 2008
Course:	Economics 423 [International Macroeconomics]	Section:	01
Time:	TR 09:30-10:45	Place:	ST 027
Instructor:	Dr. Z. Janko		
Office:	SS 450	Telephone:	220-6101
Office Hours:	TR 14:00-15:00 or by appointment	E-mail:	zjanko@ucalgary.ca

Textbook(s):

There is a reader compiled by me on sale at the bookstore. In principle it acts as a text for the course. **[Required]**

Additional Reading(s):

Additional readings may be required though out the length of the course. This reading will be provided directly by me from other sources.

Book(s) on Reserve: n/a

Course Outline:

The main focus of the course is on exchange rate determination. We will analyze the impact of monetary policy, fiscal policy, and other factors on the exchange rate under fixed vs. floating exchange rate systems in the context of a structural model. In addition we will cover the following topics: long run theory of exchange rate, financial crises, capital mobility and capital controls, other exchange rate systems such as dollarization, currency boards, currency baskets, and monetary unions (such as the EMU).

Part A: The Foreign Exchange Market and the Current Account

1. Balance of payments – an introduction
2. Exchange rate – an introduction
3. Purchasing power parity

Part B: Policy in Open Macro Economies

4. A structural model with floating and fixed exchange rates
5. The Current Account
6. Internal vs. External balances

Part C: Topics

7. Other Exchange Rate Systems
8. Capital Flows to Emerging Market Economies and Capital Controls
9. Monetary Unions
10. Other if time allows

Lectures

It is expected that students attend all lectures and write notes of key points as well as read the relevant material. If a student misses a class for whatever reason, check Blackboard for the material that was covered in class.

When absolutely necessary I will provide brief notes of clarifications and additional problem set questions.

I also provide study guides for midterm and final.

Course RequirementsMidterm

There will be one midterm test, which will be held in the classroom on March 4th.

Make-up examination and deferred examination will not be given **except in cases of extreme personal emergencies**, in which case the student MUST contact me ASAP to make arrangements for a make up.

Students who are unable to write the midterm because of a **documented** illness, family emergency or religious observance will have the midterm weight shifted to the final. It is strongly recommended that students do not miss a midterm examination.

Group Project + Participation

Students will be asked to participate in a group project. Students will be asked to read articles on a topic related to International Macroeconomics, write a short paper on the topic and present their work to the class. The paper is due on April 18th, by 4:30 pm. **A critical assessment of the articles is a must.** Further details and specific instructions will be provided at a future date.

It is expected that all students participate equally in the project. It is the responsibility of group members to inform me of any student that fails to participate in the project or is participating only to a limited capacity or is making himself/herself unavailable.

Note that participation refers to participation on the group project **as well as attending all group presentations.**

Assignments

There will be 2 assignments that will be due by 4:30 pm on the due date, one given before the midterm, the other after the midterm. If you are unable to attend the class, you can turn your work in at the main office of the Economics Department. **I do not accept any late work!! NO EXCEPTIONS!!** You will be given more than enough time to complete the work. Both assignments will be graded and each is worth 5% of the final grade

Final Exam

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

Blackboard

I will post announcements on blackboard. It is the students responsibility to check blackboard regularly to be aware of any new announcements. Both HW assignments will be posted on blackboard as well.

All graded material will be posted. If you notice an error in the recording of your marks, contact me ASAP to make the necessary changes.

The final exam grades will be posted on blackboard as soon as they are available along with the final letter grade.

Grade Determination

The weight given to each course requirement are given in the table below:

Midterm Test	35%	Note: the date of the midterm is MARCH 4th
Group Project + Participation	15%	
Assignments	10%	
Final Examination	40%	

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Tests, assignments, project, and final exam are marked on a numerical (percentage) basis. The course grade is then calculated using the weights indicated above. The grade distribution used to convert numerical values to letter grades is given below:

A+	97-100	B+	87-89	C+	77-79	D+	67-69
A	92-96	B	83-86	C	73-76	D	60-66
A-	89-91	B-	80-82	C-	70-72	F	0-59

I reserve the right to change the grade conversion chart at MY OWN

discretion, if I feel it is necessary to more fairly represent student achievement, especially if the distribution of grades determined using the aforementioned conversion chart appears to be abnormal.

OTHER NOTES:

- Students seeking reappraisal of a piece of graded term work (midterm, paper, etc.) should discuss their work with the Instructor *within fifteen days* of the work being returned to the class.

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- Calculators WILL NOT be allowed during the writing of tests or final examinations.

- Tests and exams WILL NOT involve multiple choice questions.
- The instructor reserves the right to give extra credit at any time during the course without prior notice.

Students' Union Vice President Academic:

Brittany Sargent

Phone: 220-3911

E-Mail suvpaca@ucalgary.ca

Students' Union Faculty Representative (Social Sciences)

Nav Thind

Phone: 220-3913 Office: MSC 251

E-Mail socialscirep@su.ucalgary.ca

Society of Undergraduates in Economics (S.U.E.)

www.ucalgary.ca/sue/

Safewalk / Campus Security: 220-5333

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