



UNIVERSITY OF  
CALGARY

## Department of Economics Course Outline

		<b>Term:</b>	Winter 2009
<b>Course:</b>	Economics 423 [International Macroeconomics]	<b>Section:</b>	01
<b>Time:</b>	TR 12:30-13:45	<b>Place:</b>	ST 125
<b>Instructor:</b>	Dr. Z. Janko		
<b>Office:</b>	SS 450	<b>Telephone:</b>	220-6101
<b>Office Hours:</b>	TR 14:00-15:00 or by appointment	<b>E-mail:</b>	<a href="mailto:zjanko@ucalgary.ca">zjanko@ucalgary.ca</a>

### **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 WILL be required though out the length of the course. This reading will be provided directly by me and posted on blackboard. **[Required]**

### **Book(s) on Reserve:**

None.

### **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 regimes such as dollarization, currency boards, currency baskets, and monetary unions (such as the EMU).

**Part A: Introduction to the Current Account and the Long Run Theory of Exchange Rates**

1. The balance of payments
2. Purchasing power parity

**Part B: Policy in Open Macro Economies**

3. Introduction to exchange rates
4. A structural model with fixed and floating exchange rates – understanding business cycle fluctuations (key indicators)

**Part C: Topics**

5. The Current Financial Crisis
6. Capital Flows and Capital Controls
7. Other Exchange Rate Systems

**Lectures**

I do not provide any power point notes. 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 the midterm and the final.

**Course Requirements***Midterm*

There will be one midterm test, which will be held in a classroom.

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. **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 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 4:30pm 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.

Final Exam

The final exam is cumulative and is 2 hours as scheduled by the Registrar's office. 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 weights given to each course requirement are given in the table below:

Midterm Test 1	35%
Group Project + Participation	15%
Assignments	15%
Final Examination	35%

**Note: the date of the midterm is MARCH 3<sup>rd</sup>**

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.
- Calculators WILL NOT be allowed during the writing of tests or final examinations.
- There will be a Registrar scheduled final examination, lasting 2 hours to be held in a classroom.
- 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.
- The Final exam will be comprehensive.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

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

[www.ucalgary.ca/sue/](http://www.ucalgary.ca/sue/)

Safewalk / Campus Security: 220-5333

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