

General Course Information

Instructor: Chris McKenna
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Office Location MacKinnon 704
Office Hours Tuesday and Thursday 14:00 – 15:30
Department/School Economics & Finance

TA's TBA
Email TBA
Office Location TBA
Office Hours TBA

Class Schedule: Tuesday and Thursday 16:00 – 17:20

Pre-requisites: See Calendar

Co-requisites: See Calendar

Course Description

The course is concerned with the macroeconomic implications of international finance. This includes the determination of exchange rates and their effects on domestic macroeconomic policy with respect to national income, employment, inflation, monetary control and interest rates.

Course Content (Timing is approximate.)

- Week 0 First class meeting, September 4: Course overview.
- Week 1: National Income and the balance of payments. KO Ch 13.
- Weeks 2 & 3: Money, asset markets and exchange rates. KO Ch 14 and 15.
- Week 4, 5, 6: Exchange rates in the long-run and the short-run. KO Chs 16 – 17.
- Week 7 & 8: Exchange rates and foreign exchange intervention. KO Ch18.
- Week 9 & 10: International monetary systems and globalization. KO Chs 19 and 20.
- Week 11: Optimal currency areas. KO Ch 21.
- Week 12: Issues for developing countries. KO Ch 22.

Course Assessment

Due Date/ location

Assessment 1:	25%	Midterm 1	In-class October 2
Assessment 2:	25%	Midterm 2	In-class November 4
Assessment 3:	50%	Final	TBA
Total	100%		

Teaching and Learning Practices (*as appropriate*)

Lectures It is suggested that students read chapters ahead of the class and be prepared to ask questions.

Course Resources

Required Texts:

P. Krugman, M. Obstfeld and M. Melitz *International Economics*, 10th edition. Pearson [KO] On reserve.

Other Resources:

Lecture slides and other resources will be made available on Courselink.

Course Policies

Grading Policies

The weighting for a missed midterm for a documented personal reason is transferred to the final. There are no make-up examinations.

University Policies

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration: <http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2014-2015/>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Centre for Students with Disabilities as soon as possible.

For more information, contact CSD at 519-824-4120 ext. 56208 or email csd@uoguelph.ca or see the website: <http://www.csd.uoguelph.ca/csd/>

Course Evaluation Information

Please refer to: <https://www.uoguelph.ca/economics/course-evaluation>

Drop date

The last date to drop one-semester courses, without academic penalty, is October 31st, 2014. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2014-2015/>

Additional Course Information

Note that the second midterm and the final exam both have a short essay component, worth 50% and 25% of each respectively. Since the second midterm is worth 25%, and the final is worth 50%, then the total essay component for the course is 25%.

Course Learning Outcomes

The Department of Economics and Finance *Learning Objectives (skills and knowledge competencies)* for this course:

Skills:

- a) **Written communication**—the essay component (25%) will provide an opportunity to demonstrate written communication skills. It will be graded with the usual essay writing criteria including the requirement of a bibliography.
- b) **Numerical problem solving**—calculation of exchange rates and relative prices using standard definitions.
- c) **Analytical Problem solving in a real world context**—**apply** appropriately mathematical, logical and diagrammatic methods to study a variety of contemporary real-world issues including the on-going crisis in the Eurozone.
- d) **Understand** the purpose and role of supra-national and national institutions in international capital markets.

Knowledge:

- a) **Microeconomic modelling: Apply** standard models of risk in models of portfolio selection.
- b) **Macroeconomic modelling: Analyse**, using standard macroeconomic methods, the interplay between interest rates, prices, and exchange rates.
- c) **Specific markets: Understand** the institutions and workings of the money, bond, and capital markets.
- d) **Economic Policy: Understand** the role of central banks, and instruments of sovereign government policy in the determination of international capital movements and currency crises.