

ECO-4713: International Macroeconomics Fall 2010

Professor: Mihaela Pintea
Classroom: Paul Cejas School of Architecture 165
Times: MWF 9-9:50am
Office: DM 309C
Office Hours: MW 12-1pm or by appointment
E-mail: pinteam@fiu.edu
Class webpage: <http://www.fiu.edu/~pinteam/Eco4713.htm>

Required Text

International Economics, by Paul R. Krugman and Maurice Obstfeld, 8th edition, Addison-Wesley, 2009

Although we will cover the textbook closely, there will be additional material presented. You are responsible for everything that is covered in class.

Course Content

The material studied in this course concentrates primarily on international macroeconomics although some basic international finance will also be covered.

A good background in intermediate macro is essential for understanding the various open economy models presented in the course.

The basic issues that will be investigated are the following: the impact of international transactions on the main macroeconomic variables, how effective fiscal and monetary policies are in an open economy, and finally how exchange rate arrangements, fixed or flexible affect macroeconomic policy.

Grades

Your grade will be determined from 3 in-class exams, homework assignments, and class participation.

The homework needs to be **typed** and turned in on the due date in class at the beginning of the class. Late homework or homework provided in any other manner will **not** be accepted. The assignments can be completed individually or in pairs. If you decide to work in pairs, choose your partner at the end of the first day, and do not change later on.

Only one solution per pair is to be turned in every week. You can miss/drop the “lowest score” assignment.

Class participation is **not** equivalent to class attendance; it implies that you participate actively in the class discussions. Actively talking and thinking economics may be the most important element to further your economic intuition.

Exams are not cumulative, but most of the concepts in this class are interrelated, so you may need to use material covered in the first part of the semester to solve questions from the final.

Your final grade will be determined using the following weighting scale:

Midterms: each 25% (*2=50%)

Homework assignments: 15%

Final: 35%

At the end of the semester, grades will be assigned on a curve based on the total number of points earned on the three exams and the homework, properly weighted. There will be **no extra credits** available

Grading Scale

Percentage Grade	Letter
94-100	A
90-93	A-
87-89	B+
83-86	B
80-82	B-
77-79	C+
73-76	C
70-72	C-
67-69	D+
60-66	D
0-59	F

I reserve the right to lower the cutoffs.

Incomplete will be given only under exceptional circumstances. Any kind of emergency has to be documented to receive an “I”. Doing poorly in the course will not be considered a valid reason.

Religious Holiday:

The University's policy on religious holydays as stated in the University Catalog and Student Handbook will be followed in this class. Any student may request to be excused from class to observe a religious holyday of his or her faith.

Policies and Academic Misconduct

Every student must respect the right of all to have an equitable opportunity to learn and honestly demonstrate the quality of their learning. Therefore, all students must adhere to a standard of academic conduct, demonstrating respect for themselves, their fellow students, and the educational mission of the University. As a student taking this class you have to agree to not represent someone else's work as your own; not cheat, nor will you aid in another's cheating and be honest in your academic endeavors.

If you are found responsible for academic misconduct, you will be subject to the academic misconduct procedures and sanctions as outlined in the Student Handbook at <http://www.fiu.edu/provost/polman/sec2web.html>.

Failure to adhere to the guidelines stated above may result in one of the following:

Expulsion: Permanent separation of the student from the University, preventing readmission to the institution. This sanction shall be recorded on the student's transcript.

Suspension: Temporary separation of the student from the University for a specific period of time.

Sources of Additional Macroeconomics Information

You are advised to read the Economist (or the Financial Times) where current issues in international trade and finance are analyzed as they occur.

[The Economist](#)

[The Wall Street Journal](#)

[Financial Times](#)

[World Bank](#)

[International Monetary Fund](#)

[The Economists' Voice](#)

[Board of Governors Federal Reserve System](#)

[Bureau of Economic Analysis](#)

[Bureau of Labor Statistics](#)

[Penn World Tables](#)

[The Brookings Institution](#)

[The Economic Policy Institute](#)

[The American Enterprise Institute](#)

[Greg Mankiw's Blog](#)

[Brad DeLong's Blog](#)

Course Outline

Labor Day Holiday: September 6, 2010 (no class)

Last drop day: October 15, 2010

Thanksgiving Holiday: November 26 (no class)

Exchange Rates and Open Economy Macroeconomics

Chapter 12: National Income Accounting and the Balance of Payments

Chapter 13: Exchange Rates and the Foreign Exchange Market: An Asset Approach

Chapter 14: Money, Interest Rates, and Exchange Rates

First Midterm

Chapter 15: Price Levels and the Exchange Rate in the Long Run

Chapter 16: Output and the Exchange Rate in the Short Run

Chapter 17: Fixed Exchange Rates and Foreign Exchange Intervention

Second Midterm

International Macroeconomic Policy

Chapter 18: The International Monetary System, 1870-1973

Chapter 19: Macroeconomic Policy and Coordination under Floating Exchange Rates

Chapter 20: Optimum Currency Areas and the European Experience

Chapter 21: The Global Capital Market: Performance and Policy Problems

Chapter 22: Developing Countries: Growth, Crisis and Reform

Final week: December 6-11, 2010

Final exam is given according to the University rules.