

# CARLETON UNIVERSITY

## Department of Economics Course Outline Econ 4602 A – International Monetary Theory and Policy Fall Semester – 2023

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**Professor: Brian Glabb**

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**Office hours:** By Appointment

**Email:** [brian.glabb@carleton.ca](mailto:brian.glabb@carleton.ca) or via Brightspace at <https://brightspace.carleton.ca/d2l/le/content/62126/Home>

**Meeting times:** Mondays, Time:18:05 – 20:55, September 06 to December 8, 2023.

### **PREREQUISITES**

The prerequisites for this course are ECON 2103 with a grade of C- or higher, or the permission of the instructor. Students lacking the necessary requirements will be de-registered. If you believe that you have an equivalent background or a similar course from other university, then you must contact the Department of Economics Undergraduate Administrator.

### **PRECLUSIONS**

This course precludes subsequent and concurrent but not prior credit for ECON 3600 (Introduction to International Economics) and ECON 3602 (International Monetary Problems). Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Renee Lortie.

### **OBJECTIVES**

This is an advanced course in international monetary theory and its implications for economic policy. The main objective of the course is to develop macroeconomic models of open economies that can be usefully applied to international economic issues. The course covers concepts such as the balance of payments, the current account, global imbalances, the determination of exchange rates, and the effect of fiscal and monetary policies under different exchange rate regimes.

Lecture notes, problem sets, announcements, due dates and other information will be posted on Brightspace. Students are responsible for regularly checking Brightspace to ensure that have access to posted documents and that they are up to date with any announcements.

Disclaimer: Please note that modifications/additions may be made to the list of readings. Any such modifications will be announced in a timely fashion in class. Please check the updated weekly schedule at Brightspace.

The course delivery will include both synchronous and asynchronous methods. Synchronous involves a real-time, online course where the instructor and students meet via web conferencing tools, at scheduled days and times. Instructors and students share information, ideas and learning experiences in a virtual course environment. Participation in synchronous courses requires students to have reliable, high-speed internet access, a computer (ideally with a webcam), and a headset with a microphone. The course will be delivered via Zoom in a synchronous format.

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The course will also utilize an asynchronous delivery method. An online course where the instructor and students share information, ideas, and learning experiences in a virtual course space. Asynchronous courses do not have live, scheduled meetings online. However, students are expected to remain up to date with the deadlines and due dates provided by the instructor. These courses require high-speed Internet access and a computer. The asynchronous delivery here will be fulfilled by using the Pearson MyLab program.

### **REQUIRED TEXTBOOK**

Paul Krugman, Maurice Obstfeld and Marc Melitz, International Finance: Theory and Policy, 11th edition, Pearson, 2017.

Students are required to have a Pearson MyLab account. The Pearson MyLab Economics is an online program that provides additional student resources. The MyLab program offers homework exercises and quizzes.

### **EVALUATION**

The basis for determining your final grade in this course is as follows:

Course Requirements	Due Date	Weights
<b>THREE BI-WEEKLY PEARSON MYLAB QUIZZES</b>		30%
Quiz 1	October 1 <sup>st</sup>	10%
Quiz 2	November 5 <sup>th</sup>	10%
Quiz 3	December 3 <sup>rd</sup>	10%
Midterm	November 12 <sup>th</sup>	30%
Make-Up Midterm	November 15 <sup>th</sup>	30%
Final Exam (Cumulative)	December Examination Week- from December 11 to 22 <sup>th</sup> 2023	40%
<b>Total</b>		<b>100%</b>

### **SCHEDULED DATES FOR WEEKLY QUIZZES AND MIDTERMS**

#### ❖ Homework Assignments Due Dates are not graded

- Homework # 1 - (Chapters 2, 3 & 4) --- due date Wednesday, September 27<sup>th</sup>
- Homework # 2 - (Chapters 5, 6 & 7) --- due date Wednesday, November 1<sup>st</sup>
- Homework # 3 - (Chapters 9, 10 & 11) --- due date Wednesday, November 29<sup>th</sup>

#### ❖ Quizzes Due Dates:

- Quiz 1 (Chapters 2 to 4) --- due date Sunday, October 1<sup>st</sup>
- Quiz 2 (Chapters 5 to 7) --due date Sunday, November 5<sup>th</sup>

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- Quiz 3 (Chapters 9 to 11) – due date Sunday, December 3<sup>rd</sup>
- ❖ Midterm (Chapters 2 to 7)– due date November 12<sup>th</sup>
- ❖ Make-Up Midterm (Chapters 2 to 7)– due date November 15<sup>th</sup>
- ❖ Final Exam (Cumulative) – Examination Week, December, 2023.

It is essential to attend the lectures since material not included in the textbook will be discussed in class. Working thoroughly through the questions in Pearson MyLab Economics is a sensible strategy for students wanting to do well in this class. All problem sets, relevant course material, and announcements will be available on Pearson MyLab and Brightspace under ECON 4602A.

**Please note that quizzes, midterms and final examinations for Econ 4602 A will be online only. Students will be required to complete all graded assessments via Pearson MyLab.**

**e-Proctoring:** Please note that tests and examinations in this course will use a remote proctoring service provided by Scheduling and Examination Services. You can find more information at <https://carleton.ca/ses/e-proctoring/>.

The minimum computing requirements for this service are as follows:

Hardware: Desktop, or Laptop

OS: Windows 10, Mac OS 10.14, Linux Ubuntu 18.04

Internet Browser: Google Chrome, Mozilla Firefox, Apple Safari, or Microsoft Edge

Internet Connection (High-Speed Internet Connection Recommended)

Webcam (HD resolution recommended)

Note: Tablets, Chromebooks and Smartphones are not supported at this time. Windows-based tablets are not supported at this time.

### **COURSE REQUIREMENTS**

The assignments will consist of several questions and problems. The assignments must be submitted by before 11:59 PM (Eastern Canada Time) via Pearson MyLab on the due date. Late assignments will not be accepted and will receive a grade of zero.

Students who miss the on-line mid-term exam will receive a grade of zero unless they provide a compelling reason. Students that have a compelling reason for missing the midterm will be able to write a make-up mid-term exam on November 15<sup>th</sup>. There are no other options. The mid-terms exam will cover everything from the first class of the term up to, and including, the class prior to the exam. The final exam is a cumulative exam, covering all the material discussed during the entire semester.

See Academic Regulation 2.3 for the official meanings of grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Application to write a deferred final examination must be made at the Registrar's Office.

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### **RE-MARKING**

Any request for remarking of an exam must be submitted in writing within a one week period of that exam being first returned to the class. The request should contain a detailed explanation of why you feel you should receive a higher mark. Please note that remarking will apply to the entire exam not just the contentious question(s). As a result, the revised mark may be higher than, lower than, or the same as the original mark.

### **ACADEMIC ACCOMMODATION**

Carleton University is committed to providing access to the educational experience in order to promote academic accessibility for all individuals.

Academic accommodation refers to educational practices, systems and support mechanisms designed to accommodate diversity and difference. The purpose of accommodation is to enable students to perform the essential requirements of their academic programs. At no time does academic accommodation undermine or compromise the learning objectives that are established by the academic authorities of the University.

You may need special arrangements to meet your academic obligations during the term because of disability, pregnancy or religious obligations. Please review the course outline promptly and write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. It takes time to review and consider each request individually, and to arrange for accommodations where appropriate. Please make sure you respect these timelines particularly for in-class tests, mid-terms and final exams, as well as any change in due dates for papers. You can visit the website to view the policies and to obtain more detailed information on academic accommodation at <https://students.carleton.ca/course-outline>.

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first scheduled test or exam requiring accommodation (if applicable). For more details, visit the Paul Menton Centre website.

### **ACADEMIC INTEGRITY**

You are responsible for reading and knowing the information about plagiarism, Carleton University resources, and academic accommodations found -- [HERE](#).

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**COURSE OUTLINE AND REQUIRED READING**

<b>INTERNATIONAL MONETARY THEORY &amp; POLICY</b>	
National Income Accounting and the Balance of Payments	Chapter 2
Exchange Rates and the Foreign Exchange Market: An Asset Approach	Chapter 3
Money, Interest Rates, and Exchange Rates	Chapter 4
Price Levels and the Exchange Rate in the Long Run	Chapter 5
Output and the Exchange Rate in the Short Run	Chapter 6
Fixed Exchange Rates and Foreign Exchange Intervention	Chapter 7
Financial Globalization: Opportunity and Crisis	Chapter 9
Optimum Currency Areas and the Euro	Chapter 10
Developing Countries: Growth, Crisis, and Reform	Chapter 11