Carleton University  
Department of Economics  

International Monetary Theory and Policy  
ECON 4602 – Fall 2017  

Instructor: Rashid Nikzad  
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Time: Wednesdays, 18:05–20:55  
Classroom: TBA  
Office hours: Wednesdays, 21:00–22:00, or by appointment  
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Course Description  
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.  

Prerequisite: ECON 2103 with a grade of C- or higher, or the permission of the instructor.  

Preclusions: This course precludes subsequent and concurrent but not prior credit for ECON 3600 (Introduction to International Economics) and ECON 3602 (International Monetary Problems).  

Required Textbook  

Course Structure - The following chapters of the textbook will be covered:  

- Chapter 2- National Income Accounting and the Balance of Payments  
- Chapter 3- Exchange Rates and the Foreign Exchange Market: An Asset Approach  
- Chapter 4- Money, Interest Rates, and Exchange Rates  
- Chapter 5- Price Levels and the Exchange Rate in the Long Run  
- Chapter 6- Output and the Exchange Rate in the Short Run  
- Chapter 7- Fixed Exchange Rates and Foreign Exchange Intervention  
- Chapter 9- Financial Globalization: Opportunity and Crisis  
- Chapter 10- Optimum Currency Areas and the Euro  
- Chapter 11- Developing Countries: Growth, Crisis, and Reform
Lecture notes, problem sets, announcements, due dates and other information will be posted on cuLearn. Students are responsible for regularly checking cuLearn 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 cuLearn.

**Course Evaluation**

- Assignment 1: 10% (October 18)
- Assignment 2: 10% (December 6)
- Midterm Exam: 30% (November 8)
- Final Exam: 50% (During the December exam period as scheduled by the university)

The assignments will consist of several questions and problems. The assignments must be submitted in person at the beginning of the lecture on the due date. Late assignments will not be accepted and will receive a grade of zero.

Students will receive a grade of zero if they miss the midterm exam unless they provide a compelling reason (doctor note, etc.). In this case, their midterm grade will be replaced with their final exam grade.

**University Policies**

**Academic Integrity:** Please be aware that all work submitted as requirements of this course must be both your own work and original to this course. Students should consult Section 14 of the Faculty of Graduate Studies Calendar, General Regulations concerning academic integrity and instructional offences.

**Plagiarism:** Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at carleton.ca/economics/courses/writing-preliminaries.

**Lateness/Missing term-work:** Late term papers will receive a 20% grade penalty per day, including weekends. Not attending classes on the scheduled day of presentation will result in a grade of zero for that component. Students who can document a compelling reason for missing the scheduled day of presentation will be rescheduled for another day.

**Course grades:** Note that no course grades are final until approved by the Faculty Dean. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm.

**Academic Accommodation:** You may need special arrangements to meet your academic obligations during the term. For an accommodation request the processes are as follows:

**Pregnancy obligation:** 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. For more details visit the Equity Servies website: www.carleton.ca/equity/
Religious obligation: 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. For more details visit the Equity Services website: www.carleton.ca/equity/

Academic Accommodations for Students with Disabilities: The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca. After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (if applicable).