

CARLETON UNIVERSITY
Department of Economics
International Monetary Theory and Policy
ECON 4602 A – 2021 Summer

COURSE INFORMATION

Lectures: Pre-recorded videos (with a couple of online lectures if required).

First lecture, Thursday May 6, will be online at the time of the class (11:35am to 14:25pm ET). More information below.

Virtual Office Hours: Tuesdays 1:30-2:30pm via zoom; or by appointment (set an appointment via email using your Carleton email)

CONTACT INFORMATION

Professor: Raul Razo-Garcia

Prerequisite: ECON 2103 with a grade of C- or higher. 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.

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

Course Website: The course web site will be hosted by **Brightspace**. Brightspace will be used for all the course announcements and email; office hours; assignments; quizzes; links to the course slides; viewing of pre-recorded lectures; and online submission of the Midterm Exam and Final Exam. Students are responsible for regularly checking the course website to ensure that they are up to date with any announcements and have access to the documents posted.

Course Content Copyright: Classroom teaching and learning activities, including lectures, discussions, presentations, etc., by both instructors and students, are copy protected and remain the intellectual property of their respective author(s). All course materials, including PowerPoint presentations, lecture notes, outlines, videos, assignments, exams, and other materials, are also protected by copyright and remain the intellectual property of their respective author(s). Students registered in the course may take notes and make copies of course materials for their own educational use only. **Students are not permitted to reproduce or distribute lecture videos, lecture notes and any course materials publicly for commercial or non-commercial purposes without express written consent from the copyright holder(s).** If you have questions about fair dealing and your other rights to use works for educational purposes, please contact copyright@carleton.ca.

OVERVIEW OF THE COURSE:

This is an **ADVANCED** and **THEORETICAL** course in international macroeconomics, 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 phenomena. We will study 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. **Algebra and calculus are intensively used in all lectures.**

Required Textbook: The textbook required for this course is:

- (SUW) **Stephanie Schmitt-Grohe, Martin Uribe and Michael Woodford, *International Macroeconomics*, preliminary draft available here.**

The following chapters will be covered from the required textbook SUW (**Schmitt-Grohe, Uribe and Woodford**):

Chapter 1: Global Imbalances

Chapter 2: Current Account Sustainability

Chapter 3: An Intertemporal Theory of the Current Account

Chapter 4: Terms of Trade, the World Interest Rate, Tariffs and the Current Account

Chapter 5: Current Account Determinations in a Production Economy

Chapter 6: Uncertainty and the Current Account

Chapter 8: The Real Exchange Rate and Purchasing Power Parity

Chapter 9: Determinants of the Real Exchange Rate

Chapter 10: International Capital Market Integration

Chapter 11: Capital Controls (if time permits at the end of the term)

Disclaimer: I may make modifications/additions to the list of readings. Any such modifications will be announced in a timely fashion in class.

GRADING POLICY:

Final Grade=MAX{SCHEME A,SCHEME B} where SCHEME A and B are defined as follows:

SCHEME A:

- Attendance first class: **1%** (May 6 11:35am to 2:25 ET)
- Assignment 1: **6%** (Tuesday May 18th) tentative
- Assignment 2: **8%** (Thursday May 27th) tentative
- Assignment 3: **8%** (Thursday June 10th) tentative
- Assignment 4: **8%** (Friday June 18th) tentative
- Two Pop Quizzes: **5% (2.5% each)**
- Online Midterm Exam: **30%** (Tuesday June 1st)
- Online Final Exam: **34%** (during the June Exam Period as Scheduled by the University)

SCHEME B:

- Attendance first class: **1%** (May 6 11:35am to 2:25 ET)
- Assignment 1: **6%** (Tuesday May 18th) tentative
- Assignment 2: **8%** (Thursday May 27th) tentative
- Assignment 3: **8%** (Thursday June 10th) tentative
- Assignment 4: **8%** (Friday June 18th) tentative
- Two Pop Quizzes: **5%** (**2.5% each**)
- Online Midterm Exam: **15%** (Tuesday June 1st)
- Online Final Exam: **49%** (during the June Exam Period as Scheduled by the University)

The only difference between the two schemes is the weight of the midterm and the final. This % grade will then be converted into the alphabetical grade system using the standard equivalences, as outlined in Section 2.3 of the Academic Regulations of the University in the 2020-2021 Undergraduate Calendar. **It is important to keep in mind that weights will not be transferred from one activity to another.**

Final Grades: Please note that “Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by an instructor may be subject to revision. No grades are final until they have been approved by the Dean.”

TEACHING DELIVERY:

First Lecture: With the exception of the first lecture, which will be delivered live via zoom on Thursday May 6 at the time of the class (11:25 to 14:25 ET), the lectures will be pre-recorded with links to the videos on Brightspace. The link to the first lecture will be available on Brightspace by May 5. In the first class, the goals, logistics, and expectations of the course will be explained and the course outline will be discussed (including the grading policy, pop quizzes, exams, etc). For that reason, attendance is mandatory for the first lecture.

Other Lectures: At the beginning of every week of the term, the videos of the chapters that need to be covered during that week will be posted on **Brightspace**. Students will be responsible for watching the videos and complement them with a reading of the chapters reviewed in them. **I strongly recommended reading the chapters that need to be covered in each week before watching the videos.** In the lecture videos, I discuss the main ideas of the chapters but **the students need to understand all the material discussed in the chapters** (unless otherwise noted). **If needed, I will schedule online lectures via Zoom or BigBlueButton during the time of the class.** In that case, I will make the announcements at least 3 days in advance of the online lecture.

Office Hours Delivery: Office hours will take place via Zoom on Tuesdays 1:30-2:30pm ET. Students can also request via email an online appointment with the Professor. To request such an appointment use your Carleton email address.

ACTIVITIES:

Assignments: The assignments will consist of several questions and problems and must be submitted before **11:59 pm** (Eastern Canada Time) **via Brightspace** on the due date. I recommend to start working on the assignments as soon as they are posted to **Brightspace** (it is very likely that you won't finish the assignment on time if you start working on it one or two days before the due date). Note that assignments will **NOT** be accepted by email. **Late assignments will not be accepted and will receive a grade of zero.** Students can submit only **ONE pdf or word** file for each assignment. Students may wish to work together (virtually) on assignment material, **BUT each student MUST write up their own solutions INDEPENDENTLY. Students working in groups cannot submit identical solutions.** In this connection, please be sure to read Section 14.3 of the Academic Regulations of the University in the 2020-2021 Undergraduate Calendar, especially with regard to plagiarism and unauthorized cooperation and collaboration. Due to copyrights, students cannot simply copy and paste graphs and equations from the text-book into their assignments. For further information on recognizing and avoiding plagiarism, see "Pammett on Plagiarism and Paraphrasing" at "**Pammett on Plagiarism and Paraphrasing.**"

POP QUIZZES: There will be two pop quizzes during the term. These quizzes will consist of one or two questions related to the material covered in the videos released until that week. The quizzes should not take more than **ONE** hour to solve them if the students have read and watched the videos posted until that week. Once a quiz is posted on **Brightspace**, the students will have 24 hours to submit their individual answers via **Brightspace**. The quizzes are individual activities, so **students should NOT discuss or share the answers with classmates or anyone else. Late submissions will not be accepted.** The pop quizzes will be posted either on Tuesday or Thursday at 11:30am ET (I will send an email a few hours in advance). The objective of the quizzes is to monitor the progress of the class.

MIDTERM: The **ONLINE** midterm exam will cover all the material included in the chapters reviewed until (and including) May 25th. **The online midterm will take place on June 1st from 11:35am to 2:25 (Eastern Canadian Time).** At 11:30am ET on June 1st the exam will be available for you to see in Brightspace. You should write the exam at home and upload your answers to Brightspace by 2:30pm on the same day. The exam is being set as if it was an in-person exam and you are expected to write them as if you were writing in person. That is, **you should not consult/discuss your solutions with other classmates or anyone else. This is an individual activity, so students cannot work in groups.** You will also be required to sign a statement that says what you have uploaded is your own. If you miss the midterm it will be treated in two ways:

- First, to explain your absence you must complete the self-declaration form available on the **Registrar's Office website**) and submit it to the Professor. If you meet this condition you will receive the same rank-based score you earned on the final (this means that I **WON'T** transfer the weight of the midterm to the final). You have until **June 8th** to submit the form.
- Alternatively, absent written explanations, you will receive a zero for the midterm.

FINAL EXAM: The Online final exam is cumulative. The final exam is also being set as if it was an in-person exam and you are expected to write them as if you were writing in person. That is, **you should not consult/discuss your solutions with other classmates or anyone else. This is an individual activity, so students cannot work in groups.** You will also be

required to sign a statement that says what you have uploaded is your own. Application to write a deferred final examination must be made at the Registrar's Office. In the event that a student writes a deferred examination, the deferred examination will carry the same weight as the final examination in determining the course grade. Needless to say, any deferred examination will not be identical to the original final examination.

e-PROCTORING: Please note that the midterm and final examinations in this course will use a remote proctoring service provided by Scheduling and Examination Services. You can find more information [here](#).

Academic Integrity: Assignments, quizzes, and exams will be compared to check if the answers submitted are too similar. If the answers in two or more documents are found very similar, they will be sent to an authority on campus for a second review (e.g., the Chair of the department or even the Dean's office). For further information on academic integrity at Carleton, click [here](#).

Re-grading Policy: Any request for regrading exams must be **submitted in writing** within **one week** of that exam first being returned to the class. The request should contain a detailed explanation of why you feel you should receive a higher grade. Please note that I will regrade the entire exam not just the contentious question. As a result, the revised grade may be higher than, lower than or the same as the original grade.

ACADEMIC ACCOMMODATIONS

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

- 1. Pregnancy Obligation:** Please contact your instructor 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](#).
- 2. Religious Obligation:** Please contact your instructor 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](#).
- 3. Academic Accommodations for Students with Disabilities:** 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 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 in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. Please check the [PMC website](#).
- 4. Survivors of Sexual Violence:** As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

5. Accommodation for Student Activities: Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor 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: carleton.ca/senate/wp-content/uploads/2019/04/2019-2020-Senate-Resolution-10-1-2019-Accommodation-for-Student-Activities-1.pdf

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