



**Carleton
University**

Department
of Economics

CARLETON UNIVERSITY
Department of Economics
International Monetary Problems
ECON 3602 – 2026 Winter

THE COURSE

Lectures: Thursdays 11:35-14:25 ET

Location: Course locations can be found on Carleton Central.

THE INSTRUCTOR

Professor: Raul Razo-Garcia

Email Address: raul.razogarcia at carleton dot ca

If you need to email the Instructor please do so using your Carleton email address.

Office Location: B-857 Loeb Building.

Office Hours: Office hours will take place via Zoom or in person by appointment. To request an appointment use your Carleton email address.

THE TEACHING ASSISTANT

TA: Andrew Wysiecki

Email Address: Andrew Wysiecki@cmail.carleton.ca

If you need to email the Andrew please do so using your Carleton email address.

Virtual Office Hours: Mondays 1-2pm (starting on January 19) via Zoom.

Prerequisite: **ECON 1001 and ECON 1002, or ECON 1000 or FYSM 1003.** Students who believe they have taken a similar background course or courses from another university should provide appropriate documentation to the Department of Economics Undergraduate Administrator, Sean Hall: **SeanHall3@cunet.carleton.ca** to check that credit may be given for all courses.

Preclusions: **This course precludes additional credit for ECON 3600 (Introduction to International Economics, no longer offered).**

Course Website: The course website will be hosted by **Brightspace**. Brightspace will be used for all the course announcements and email; office hours; assignments; documents; and online submission of the assignments. 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.

COURSE DESCRIPTION and LEARNING OBJECTIVES:

This course is an introduction to open economy macroeconomics and international finance. The main objective of the course is to develop simple macroeconomic models for small open economies that can be usefully applied to international economic phenomena. We will study concepts such as the balance of payments, the determination of exchange rates, the effect of fiscal and monetary policies under different exchange rate regimes, balance of payment crisis, international macroeconomic dependence, financial globalization and the international monetary system. Recent issues such as the persistence of US current account deficits and China's exchange rate policy will receive particular attention. The course will use simple algebra and some calculus.

Required Textbook:

Paul Krugman, Maurice Obstfeld and Marc Melitz, *International Economics: Theory and Policy*, 12th edition, Pearson, 2022 (ISBN 9780137465699). **More info here. Approximate price of the e-textbook: \$67.99 CAD.**

Students are not required to purchase other learning materials for this course.

The following chapters will be covered from the required textbook KOM (**Krugman, Obstfeld and Melitz**):

Chapter 14: Exchange Rates and the Foreign Exchange Market: An Asset Approach

Chapter 15: Money, Interest Rates and Exchange Rates

Chapter 16: Price Levels and the Exchange Rate in the Long Run

Chapter 17: Output and the Exchange Rate in the Short Run

Chapter 18: Fixed Exchange Rates and Foreign Exchange Intervention

Chapter 19: International Monetary Systems: A Historical Overview

Chapter 20: Financial Globalization: Opportunity and Crisis

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

- Assignment 1: 10% (Friday) January 30 via Brightspace before 11:59pm tentative
- Assignment 2: 10% (Friday) February 13 via Brightspace before 11:59pm tentative
- Assignment 3: 15% (Thursday) April 2 via Brightspace before 11:59pm tentative
- Midterm Examination (in person): 30% (Thursday) February 26
- Final Examination (in person): 35% (during the April Exam Period as Scheduled by the University–online)

Scheme B

- Assignment 1: 10% (Friday) January 30 via Brightspace before 11:59pm tentative
- Assignment 2: 10% (Friday) February 13 via Brightspace before 11:59pm tentative
- Assignment 3: 15% (Thursday) April 2 via Brightspace before 11:59pm tentative
- Midterm Examination (in person): 0% (Thursday) February 26
- Final Examination (in person): 65% (during the April Exam Period as Scheduled by the University–online)

The only difference between both schemes are the weights allocated to the midterm and final examinations. This % grade will then be converted into the alphabetical grade system using the standard equivalences, as outlined [here](#). **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.”

Satisfactory Performance Criteria: Students must fulfill all of the course requirements, including the final exam, in order to achieve a passing grade (D- or higher).

TEACHING DELIVERY: In-person lectures. If for some reason the Professor cannot deliver the lecture in person, the lecture will be delivered virtually via Zoom. If that’s the case, the Professor will make the announcement at least 2 days in advance of the online lecture. **The first lecture on January 8 will be delivered via zoom at the time of the class.**

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 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 the following document "**Academic Integrity and Offenses of Conduct.**" For the assignments, the use of generative AI tools (e.g., ChatGPT) is **NOT** permitted.

Midterm (in-person): The midterm exam will cover all the material reviewed in class until and including February 12. If you miss the midterm, the weight of the midterm will be transferred to the final (check scheme B in the grading policy section).

Final Exam (in person): The final exam will cover all the chapters and material covered in class (i.e. **cumulative**). Failure to write the final examination when the student has achieved satisfactory performance during the term will result in a grade of ABS ("ABSent from a required final examination"). Application to write a deferred final examination must be made at the Registrar's Office. **The documentation provided by students for missed examination(s) may be subject to verification.**

Re-grading Policy: Any request for regrading exams must be **submitted in writing** within **one week** of that exam (assignment) 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.

PLAGIARISM, RESOURCES and MENTAL HEALTH, ACADEMIC ACCOMMODATIONS

Academic Support: The Centre for Student Academic Support (CSAS) designs, develops, and implements educational programs and services that are available to support all Carleton University students to have successful academic experiences, achieve their goals and improve their learning. CSAS offers academic assistance with online student success, course content, academic writing and skills development. For more information, visit the CSAS **website**.

Student Mental Health Support: As a University student you may experience a range of mental health challenges that significantly impact your academic success and overall well-being. If you need help, please speak to someone. There are numerous resources available both on- and off-campus to support you. **Here** is a link that may be helpful.

Academic Integrity: Assignments 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**. Carleton's Academic Integrity Policy defines **plagiarism** as "*presenting, whether intentionally or not, the ideas, expression of ideas or work of others as one's own.*" This includes reproducing or paraphrasing portions of someone else's published or unpublished material, regardless of the source, and presenting these as one's own without proper citation or reference to the original source. Examples of sources from

which the ideas, expressions of ideas or works of others may be drawn from, and need to be cited, include but are not limited to: books, articles, papers, literary compositions and phrases, performance compositions, chemical compounds, artworks, laboratory reports, research results, calculations and the results of calculations, diagrams, constructions, computer reports, computer code/software, material on the internet and/or conversations.

Examples of plagiarism include, but are not limited to:

- any submission prepared in whole or in part, by someone else;
- using ideas or direct, verbatim quotations, paraphrased material, algorithms, formulae, scientific or mathematical concepts, or ideas without appropriate acknowledgment in any academic assignment;
- using another's data or research findings without appropriate acknowledgement;
- submitting a computer program developed in whole or in part by someone else, with or without modifications, as one's own; and
- failing to acknowledge sources through the use of proper citations when using another's work and/or failing to use quotations marks.

Plagiarism is a serious offence that cannot be resolved directly by the course instructor. The Associate Dean of the Faculty conducts a rigorous investigation, including an interview with the student, when an instructor suspects a piece of work has been plagiarized. Penalties are not trivial. They can include a final grade of “**F**” for the course.

You are responsible for reading and knowing the information about plagiarism.

Generative Artificial Intelligence (AI): As our understanding of the uses of AI and its relationship to student work and academic integrity continue to evolve, students are required to discuss their use of AI in any circumstance not described here with the course instructor to ensure it supports the learning goals for the course.

ACADEMIC ACCOMMODATIONS:

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances, are outlined on the Academic Accommodations website. For more details, click **here**. If you need special arrangement to meet your academic obligations, submit your request(s) as soon as possible.