

Department of Economics
Wilfrid Laurier University
FALL 2008
EC 349
International Finance

INSTRUCTOR

Sharif Khan
Ph.D. Candidate, Queen's Economics Department
Office: P2055
Phone: 519-884-0710, EXT 2270
Email: shkhan@wlu.ca
Website: <http://qed.econ.queensu.ca/pub/students/khans/>

LECTURE HOURS AND LOCATION

Section A: Tuesdays and Thursdays 2:30 – 3:50 p.m., P2067
Section B: Tuesdays and Thursdays 11:30 – 12:50 p.m., SBE 1240

OFFICE HOURS

Tuesdays and Thursdays 1:15 p.m. -2:15 p.m., or by appointment

COURSE WEBPAGE

http://www.econ.queensu.ca/pub/students/khans/EC349_F08.htm

The course outline, assignment questions, solutions to assignments and solution to mid-term exam will be posted on the course webpage. Important announcements concerning the course will also be posted there.

COURSE DESCRIPTION

Macroeconomic theory is discussed in the context of an economy which is engaging in international trade. Besides dealing with the effects of trade on such things as domestic employment and inflation, the course places considerable emphasis on how trade is financed, exchange rate and balance of payments determination, the international financial system and macroeconomic policy.

PREREQUISITES

[EC250](#) or [EC290](#) (or EC240). [EC250](#) or [EC290](#) (or EC240) may be taken as a co-requisite.

REQUIRED TEXT

International Economics: Theory and Policy, 8th Edition, 2008, Paul Krugman and Maurice Obstfeld, Addison-Wesley, ISBN-10: 0321493044. [KO]

TEXTBOOK WEBSITE

www.aw.com/krugman_obstfeld

EVALUATION

Optional Assignments (You do NOT have to Submit)	0%
Two Required Assignments	20%
Mid-term Exam	30%
Final Exam (Comprehensive)	50%

The course grade will be determined by the following rule:

Course Grade = maximum {(20% of Assignments + 30% of Midterm + 50% Final), (20% of assignments + 80% of Final)}

Students **must** write both the midterm exam and final exam to pass this course. If a student misses the midterm exam due to acceptable medical reasons or unavoidable circumstances, the weight of his or her midterm exam will be added to the final exam. Students must report to me the reasons of not writing the midterm exam prior to the exam date or immediately after the exam.

ACCESSIBLE LEARNING STATEMENT

Students with disabilities or special needs are advised to contact Laurier's Accessible Learning Centre for information regarding its services and resources. Students are encouraged to review the Calendar for information regarding all services available on campus.

ACADEMIC AND RESEARCH MISCONDUCT

You are reminded that the University will levy sanctions on students who are found to have committed, or have attempted to commit, acts of academic or research misconduct. You are expected to know what constitutes an academic offense, to avoid committing such offenses, and to take responsibility for your academic actions. For information on categories of offenses and types of penalty, please consult the relevant section of the Undergraduate Academic Calendar. If you need clarification of aspects of University policy on Academic and Research Misconduct, please consult your instructor.

Wilfrid Laurier University uses software that can check for plagiarism. Students may be required to submit their written work in electronic form and have it checked for plagiarism.

COURSE OUTLINE AND LECTURE PLANS
(Reference codes refer to the texts mentioned above)

Date	Topic	References/ Comments
Sep 9, 2008	National Income Accounting and the Balance of Payments	KO: Ch 12
Sep 11, 2008	National Income Accounting and the Balance of Payments	KO: Ch 12
Sep 16, 2008	Exchange Rates and the Foreign Exchange Market: An Asset Approach	KO: Ch 13
Sep 18, 2008	Exchange Rates and the Foreign Exchange Market: An Asset Approach	KO: Ch 13
Sep 23, 2008	Money, Interest Rates, and Exchange Rates	KO: Ch 14
Sep 25, 2008	Money, Interest Rates, and Exchange Rates	KO: Ch 14
Sep 30, 2008	Money, Interest Rates, and Exchange Rates	KO: Ch 14
Oct 2, 2008	Price Levels and the Exchange Rates in the Long Run	KO: Ch 15
Oct 7, 2008	Price Levels and the Exchange Rates in the Long Run	KO: Ch 15
Oct 9, 2008	Price Levels and the Exchange Rates in the Long Run	KO: Ch 15
Oct 14, 2008	Output and Exchange Rate in the Short Run	KO: Ch 16
Oct 16, 2008	Output and Exchange Rate in the Short Run	KO: Ch 16
Oct 21, 2008	MID-TERM EXAM	Exam will be held in class
Oct 23, 2008	Output and Exchange Rate in the Short Run	KO: Ch 16
Oct 28, 2008	Fixed Exchange Rates and Foreign Exchange Intervention	KO: Ch 17
Oct 30, 2008	Fixed Exchange Rates and Foreign Exchange Intervention	KO: Ch 17
Nov 4, 2008	Fixed Exchange Rates and Foreign Exchange Intervention	KO: Ch 17
Nov 6, 2008	The International Monetary System, 1870-1973	KO: Ch 18
Nov 11, 2008	The International Monetary System, 1870-1973	KO: Ch 18
Nov 13, 2008	Macroeconomic Policy under Floating Exchange Rates	KO: Ch 19

Nov 18, 2008	Macroeconomic Policy under Floating Exchange Rates	KO: Ch 19
Nov 20, 2008	Macroeconomic Policy under Floating Exchange Rates	KO: Ch 19
Nov 25, 2008	Optimal Currency Areas and the European Experience	KO: Ch 20
Nov 27, 2008	Optimal Currency Areas and the European Experience	KO: Ch 20

Note: Additional readings, if necessary, will be assigned during the semester.

TIPS TO DO WELL IN THIS COURSE

- Attend all the lectures and actively participate in class. Feel free to ask as many questions as you want in the class. There is no 'stupid question' in my class.
- Read the textbook and other assigned readings between the lines and go through your lecture notes from the class. If you have any questions, please ask me during my office hours.
- Do all the assignments. Assignments are meant for helping you understand the course materials and prepare you for the exams.
- Go through the solutions to all assignments and mid-term carefully. If you face any problems, feel free to stop by during my office hours.