Department of Economics  
Ryerson University  
Winter 2006  
ECN 606  
International Monetary Economics

INSTRUCTOR  
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LECTURE HOURS AND LOCATION  
Wednesdays 2:00 – 5:00 p.m., Business Building 203

OFFICE HOURS  
Thursdays 3:00-4:00 p.m.

COURSE WEBPAGE  
Click on the link for this course posted on the instructor’s website:  
The course outline, optional assignment questions, solutions to optional 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  
This course examines the international monetary order. Topics include foreign exchange rates, international balance of payments and concepts of imbalance, fixed versus flexible exchange rate regimes along with some historical perspective. The course also examines the operation of the international monetary fund (I.M.F.) and the problem of providing adequate finance for developing countries and a satisfactory adjustment system for members of the I.M.F. Prerequisite: ECN 301.

REQUIRED TEXT  

TEXTBOOK WEBSITE  
www.aw.com/krugman_obstfeld

SUPPLEMENTARY TEXTS  
EVALUATION
Optional Assignments (You do NOT have to Submit)  0%
Mid-term Exam        40%
Final Exam (Comprehensive)      60%

The course grade will be determined by the following rule:
Course Grade = maximum {((40\% \text{ of Midterm} + 60\% \text{ Final}), 100\% \text{ of Final})

For information on the Department of Economics policies re: essays, assignments, missed tests, etc., see www.ryerson.ca/econ

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>References/ Comments</th>
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<tbody>
<tr>
<td>Jan 11, 2006</td>
<td>National Income Accounting and the Balance of Payments</td>
<td>KO: Ch 12</td>
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<tr>
<td>Jan 18, 2006</td>
<td>Exchange Rates and the Foreign Exchange Market: An Asset Approach</td>
<td>KO: Ch 13</td>
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<td>Jan 25, 2006</td>
<td>Money, Interest Rates, and Exchange Rates</td>
<td>KO: Ch 14</td>
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<td>Feb 1, 2006</td>
<td>Price Levels and the Exchange Rates in the Long Run</td>
<td>KO: Ch 15</td>
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<td>Feb 8, 2006</td>
<td>Output and Exchange Rate in the Short Run</td>
<td>KO: Ch 16</td>
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<td>Feb 16, 2006</td>
<td>Fixed Exchange Rates and Foreign Exchange Intervention</td>
<td>KO: Ch 17 AFC: Ch 25</td>
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<td>Feb 22, 2006</td>
<td>No lecture</td>
<td>Reading week</td>
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<td><strong>March 1, 2006</strong></td>
<td><strong>MID-TERM EXAM;</strong></td>
<td>KO: Ch 18 AFC: Ch 29</td>
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<td></td>
<td>The International Monetary System, 1870-1973</td>
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<td>March 8, 2006</td>
<td>Macroeconomics Policy under Floating Exchange Rates</td>
<td>KO: Ch 19 AFC: Ch 26</td>
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<td>March 15, 2006</td>
<td>Optimal Currency Areas and the European Experience</td>
<td>KO: Ch 20</td>
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<td>March 22, 2006</td>
<td>Fixed or Flexible Exchange Rates?</td>
<td>AFC: Ch 28</td>
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<td>April 5, 2006</td>
<td>Developing Countries: Growth, Crisis, and Reform</td>
<td>KO: Ch 22</td>
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<td>April 12, 2006</td>
<td>Exam Review</td>
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**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 optional 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.