

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:

<http://qed.econ.queensu.ca/pub/students/khans/> .

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**

International Economics: Theory and Policy, 7<sup>th</sup> Edition, 2005, Paul Krugman and Maurice Obstfeld, Addison-Wesley, ISBN 0321293835. [KO]

**TEXTBOOK WEBSITE**

[www.aw.com/krugman\\_obstfeld](http://www.aw.com/krugman_obstfeld)

**SUPPLEMENTARY TEXTS**

International Economics, 5<sup>th</sup> Edition, 2005, Appleyard, Field and Cobb, McGraw-Hill, ISBN 0072877375. [AFC]

## 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% of Midterm + 60% Final), 100% of Final}**

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

## COURSE OUTLINE AND LECTURE PLANS

(Reference codes refer to the texts mentioned above)

Date	Topic	References/ Comments
Jan 11, 2006	National Income Accounting and the Balance of Payments	KO: Ch 12
Jan 18, 2006	Exchange Rates and the Foreign Exchange Market: An Asset Approach	KO: Ch 13
Jan 25, 2006	Money, Interest Rates, and Exchange Rates	KO: Ch 14
Feb 1, 2006	Price Levels and the Exchange Rates in the Long Run	KO: Ch 15
Feb 8, 2006	Output and Exchange Rate in the Short Run	KO: Ch 16
Feb 16, 2006	Fixed Exchange Rates and Foreign Exchange Intervention	KO: Ch 17 AFC: Ch 25
Feb 22, 2006	No lecture	Reading week
<b>March 1, 2006</b>	<b>MID-TERM EXAM;</b> The International Monetary System, 1870-1973	KO: Ch 18 AFC: Ch 29
March 8, 2006	Macroeconomics Policy under Floating Exchange Rates	KO: Ch 19 AFC: Ch 26
March 15, 2006	Optimal Currency Areas and the European Experience	KO: Ch 20
March 22, 2006	Fixed or Flexible Exchange Rates?	AFC: Ch 28
March 29, 2006	The Global Capital Market: Performance and Policy Problems	KO: Ch 21
April 5, 2006	Developing Countries: Growth, Crisis, and Reform	KO: Ch 22
April 12, 2006	Exam Review	

**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.