

## **International Monetary Economics**

Economics 842

Section: G100

Term: 2014 Spring

Instructor: K. Kasa

**Discussion Topics:** This course provides an overview of most the core topics in international finance and open-economy macroeconomics. Among the topics covered are: (1) Theories of exchange rate determination, (2) Theories of the current account and international capital flows, (3) Open-economy business cycle models, and (4) Theories of financial crises and speculative attacks.

Although the focus will be on theory, students are expected to understand modern econometric methods. Also, there will be some discussion of recent policy debates, e.g., optimal exchange rate policy, and the gains from international financial integration.

There are three major omissions from the course. First, not much attention will be devoted to the huge recent literature on open-economy New Keynesian models. Obstfeld and Rogoffs Redux model will be discussed, but thats about it. Second, we wont have time to discuss the recent literature attempting to integrate classical trade theory with open-economy macro, i.e., all the models in this course will have exogenous trade structures. Third, most of the course will focus on developed economies. Growth, international technology diffusion, political economy considerations, etc., will either be ignored or assumed exogenous.

### **Grading: Assignments:**

Three or four problem sets will be assigned. Students are welcomed (in fact, encouraged) to work in groups, but everyone is expected to turn in their own copy (in their own words!). Students will also be asked to write a 10-20 page term paper, due at the end of the course.

The course grade will be based on a final exam (30%), a midterm exam (30%), and class assignments (20%), and a term paper (20%).

**Required Texts:** Foundations of International Macroeconomics , Maurice Obstfeld and Kenneth Rogoff, , MIT Press, 1996

**Recommended Texts:** International Macroeconomics and Finance, Nelson C. Mark, Blackwell Publishers, .2001

**Materials/Supplies:** None

**Prerequisite/Corequisite:** ECON 802 and ECON 807  
(or equivalent)

**Notes:** Notes: Students requiring accommodations as a result of a disability must contact the Centre for Students with Disabilities at 778-782-3112 or csdo@sfu.ca

All students are expected to read and understand SFUs policies with regard to academic dishonesty (S 10.02 and S 10.03). These policies are available at the following web address: [www.sfu.ca/policies](http://www.sfu.ca/policies)

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