**University of Waterloo**

**Department of Economics**

**ECON 332: International Finance**

**Winter 2022**

**Instructor: Saeed Rana**

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**Course Website:** LEARN (<http://learn.uwaterloo.ca/>)

**Office Hours:** Tuesdays 9:00 pm to 10:00 pm or by appointment

**Class Discussions:** All class related discussions and general questions will be conducted via Piazza – responses are provided as soon as reasonably possible.

**Lecture:** Tuesday 6:30 pm – 9:00 pm (up to Jan 24th, first two lectures, will be delivered online. Location of the in-person class will be announced later)   
Please note: *Due to the uncertainty of the current pandemic situation, some details (course delivery: in-person, blended or online) and deadlines regarding course content and assessments in the course outline may be changed. Please check this page regularly for updates about the course.  Note that the course outline on LERN will supersede previously published outlines.*

**Teaching Assistants:** TBA

**Course Description:**

This course presents International Monetary Economics theory and applies it towards gaining an understanding of recent events and current policy issues. The theory presented in this course covers a broad range of topics including exchange rate determination, monetary and fiscal policy in an open economy, balance of payments crises, the choice of exchange rate systems, and international debt. The insights provided by these theoretical frameworks will enable us to discuss topics such as current account deficits and global financial imbalances, the Chinese exchange rate regime, proposed changes in the international financial architecture, the single currency in Europe, the Asian and Argentine financial crises, and the role of international factors on a nations employment, wage and economic performance.

## Learning Outcomes:

This course introduces students to basic principles, concepts and tools to analyze standard international monetary economics theories. The course material will help students to analyze current international economic affairs in terms of theoretical models. The theories learnt in this course will address topics like international monetary framework and financial crisis which could be utilized for an in-depth analysis of global economic crises.

**Teaching Method:**

Besides in person lectures, short video lectures along with lecture slides will be posted on the course website (LEARN) on week-by-week basis. The recorded lectures will focus on the most important and challenging parts of the material. For some chapters, only selected portions will be covered as a part of the course material. More basic material will be left for the students to study on their own. Please note that the lecture slides are not lecture notes. Students are expected to read the assigned material/chapters (see weekly course schedule) to supplement the key concepts covered in video lectures and lecture slides.

*Please note, students who have access to authorized recorded lectures in this course may use these recordings only for personal or group study and should not reproduce, share or upload the recording to any publicly accessible web environment.  Similarly, notes, slides, evaluations and tests are for personal use and should not be shared with others outside of this course*.

## Required Text:

Robert C. Feenstra and Alan M. Taylor, “International Macroeconomics” 5th edition, Worth Publishers, 2021, ISBN:978-1-319-21850-8

Note: Cheaper copies may be available on the internet. Also, the textbook is available in electronic format: <https://store.macmillanlearning.com/ca/product/International-Macroeconomics/p/1319061729>

**Course Outline:**

This course outline will be available at two locations, Department of Economics website and D2L website, for the duration of the term.

## Tentative Course Calendar:

|  |  |
| --- | --- |
| Week of | Topics |
| January 10 | **Part 1: Introduction to International Macroeconomics**  Chapter 1: The Global Macroeconomy |
| January 17 | **Part 2: Exchange Rates** Chapter 2: Introduction to Exchange Rates and the Foreign Exchange Market |
| January 24 | Chapter 3: Exchange Rates I: The Monetary Approach in the Long Run |
| January 31 | Chapter 4: Exchange Rates II: The Asset Approach in the Short Run |
| February 07 | **Part 3: The Balance of Payments**Chapter 5: National and International Accounts: Income, wealth, and the Balance of Payments |
| February 14 | *Mid-Term Exam I (in class): Tuesday, February 15, Chapters 1 to 5* |
| February 21 | *No Class: Mid-Term Recess* |
| February 28 | Chapter 6: Balance of Payments I: The Gains from Financial Globalization |
| March 07 | Chapter 7: Balance of Payments II: Output, Exchange Rates, and Macroeconomic Policies in the Short Run |
| March 14 | **Part 4: Applications and Policy Issues**Chapter 8: Fixed Verses Floating: International Monetary Experience |
| March 21 | Chapter 9: Exchange Rate Crises: How Pegs Work and How They Break |
| March 28 | Mid-Term Exam II (in-class): Tuesday, March 29, Chapters 6 to 9 |
| April 04 | Chapter 10: The Euro: Economics and Politics |
| April 11 | Chapter 11: Topics in International Macroeconomics |

*Note: The instructor reserves the right to modify elements of the course. In case of any modification students will be notified accordingly.*

## Evaluation:

Learning in this course results primarily from lectures, online-class discussions, and home readings (assigned textbook chapters. Students learning and progress in this course will be evaluated on individual basis. Grades for this course will be calculated as follows:

|  |  |  |
| --- | --- | --- |
| **Evaluation** | **Due Date** | **Weights** |
| Practice Midterm 1 | Thursday, Feb 10 via LEARN, Chapters 1 to 5 | 5% |
| Midterm 1 (in class) | Tuesday, Feb 15, 2022, Chapters 1 to 5 | 25% |
| Practice Midterm II | Thursday, March 24 via LEARN, Chapters 1 to 5 | 5% |
| Midterm II (in class) | Tuesday, March 29, 2022, Chapters 6 to 9 | 25% |
| Final Exam | TBA\*, Comprehensive – chapter 1 to chapter 11 | 40% |
| Total |  | 100% |

*\* The final exam will be scheduled by the Registrar’s Office.*

## Course Policies:

* The format of the midterm exams and the final exam will be multiple choice questions (about 60%) and numerical/analytical questions (about 40%). The duration of the exams will be 90 to 120 minutes. See the course schedule for due dates and coverage.
* If an exam is missed, given proper documentation, the weight will be transferred to the final exam.
* Your grades on midterms will be posted on LEARN. Please immediately report to the instructor any discrepancy between the posted and actual grades.
* Only the Registrar’s Office can issue final grades. Hence, marks the for final exam will not be posted on LEARN.
* Missing the final exam is a very serious matter which automatically results in a grade of zero for the final exam and possibly a failing grade for the course. Please carefully read the Economics Department policy on deferred final exams for instructions.
* No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course. For instructions on the deferred final exam policy please refer to the Deferred Final Exam Policy, located at <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources>.

## Communication and Feedback:

Students are encouraged to contact with instructor to seek help or to discuss course related matters. Instructor’s office hours (class meetings) are listed on page 1. If scheduled office hours (class meetings) conflict with your schedule, you can request an appointment with me via email ([saeed.rana@uwaterloo.ca](mailto:saeed.rana@uwaterloo.ca)). Please ensure that your email has subject line starting with “ECON 332” this will minimize the risk of your email being overlooked or perceived as spam.

**Piazza:**

All class related discussions will be conducted via Piazza. The quicker you begin asking questions on Piazza (rather than via emails), the quicker you'll benefit from the collective knowledge of your classmates and instructor. I encourage you to ask questions when you're struggling to understand a concept—you can even do so anonymously.

## Economics Department Deferred Final Exam Policy:

Deferred Final Exam Policy found at <https://uwaterloo.ca/economics/undergraduate/resources-and->  [policies/deferred-final-exam-policy](https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy)

## Cross-listed course:

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

## Academic Integrity:

***Academic Integrity:*** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the UWaterloo  [Academic Integrity](https://uwaterloo.ca/academic-integrity/) webpage and the [Arts Academic Integrity](https://uwaterloo.ca/arts/undergraduate/student-support/academic-standing-understanding-your-unofficial-transcript/ethical-behaviour) webpage for more information.

***Discipline:*** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline.](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-71) For typical penalties check [Guidelines for the Assessment of Penalties.](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties)

***Grievance:*** A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. [Read Policy 70 - Student Petitions and Grievances,](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70) Section 4. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

**Appeals:**

A decision made or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 - Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals.](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-72)

## Accommodation for Students with Disabilities:

***Note for students with disabilities:*** [The Access Ability Services office,](https://uwaterloo.ca/accessability-services/) located on the first floor of the Needles Hall extension (1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

## Mental Health Support:

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

## On Campus:

* + Counselling Services: [counselling.services@uwaterloo.ca](mailto:counselling.services@uwaterloo.ca) / 519-888-4567 ext 32655
  + [MATES](http://www.feds.ca/uw-mates/): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
  + Health Services Emergency service: located across the creek form Student Life Centre

## Off campus, 24/7:

* + [Good2Talk](http://www.good2talk.ca/): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
  + Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
  + [Here 24/7](http://www.here247.ca/): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
  + [OK2BME](http://ok2bme.ca/): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](https://uwaterloo.ca/arts/get-mental-health-support-when-you-need-it) Download [UWaterloo and regional mental health resources (PDF)](https://uwaterloo.ca/arts/sites/ca.arts/files/uploads/files/counselling_services_overview_002.pdf)

Download the [WatSafe](https://uwaterloo.ca/watsafe/) app to your phone to quickly access mental health support information

## Territorial Acknowledgement:

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.