

ECON 284: INTERNATIONAL ECONOMICS
Department of Economics
The George Washington University
Spring 2007

Section 11: R 6:10pm-8pm, 1957 E 113

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COURSE OBJECTIVES

The aim of this course is to provide an overview of international finance and open-economy macroeconomics. We begin with an analysis of national income accounts and the balance of payments. We continue with the study of international financial markets in general, and the exchange rate market in particular. Finally, we build a model for a small open economy and analyze, within the context of the model, monetary and fiscal policy, exchange rate regimes and currency crises.

TEXTBOOK AND OTHER READINGS

The main textbook is *International Economics, Theory and Policy* (seventh edition) by Paul Krugman and Maurice Obstfeld. The textbook is not required, since I will only be testing you on the material covered in class.

Other textbooks that you may find useful are:

Copeland, Laurence S., *Exchange Rates and International Finance*, FT Prentice Hall, 2000
Lequiller, Francois and Derek Blades, *Understanding National Accounts*, OECD Publishing, 2006
Levich, Richard M., *International Financial Markets-Prices and Policies*, McGrawHill, 2001
Melvin, Michael *International Money & Finance*, Pearson Addison Wesley, 2004

Any additional readings will be distributed in class.

BLACKBOARD

During the semester I will post additional readings, homework assignments and any material useful for the course on Blackboard. Moreover, I will use the Blackboard mailing list to send you emails if I have any announcements to make.

PROBLEM SETS

During the course, I will post problem sets on Blackboard (typically one every two weeks) along with the solutions. You are not required to hand the problem sets in, but you are encouraged to use them to practice for the exams.

COUNTRY REPORTS

You will form groups of 4-5 students. Each group will select a country (or a group of countries) to follow throughout the semester. It will research this country for each of the topics covered in class. By the end of the semester, each group will write a report on the status of the country. I will post detailed instructions for this assignment on Blackboard in the next couple of weeks.

CLASS DISCUSSIONS

Every couple of weeks, I will assign articles to discuss together in class on topics related to the material we cover. In order to actively participate in the discussion, students are invited to keep themselves abreast of current events in financial markets. Suggested readings are the Finance and Economics section of *The Economist* and the markets section of the *Financial Times*.

EXAMS

There will be one midterm exam and one final exam. The midterm exam will cover the material up until the date of the exam itself. The final exam will only include the material covered after the midterm.

Exams will test your knowledge of the course material and your ability to apply this material to new problems. Unless I explicitly indicate otherwise, you will be tested on the material covered in class only.

All examinations, papers, and other graded work products and assignments are to be completed in conformance with The George Washington University Code of Academic Integrity.

GRADING

Country Report: 25%

Midterm: 35%

Final: 40%