

Objective

Events in the international monetary and financial markets have impacts not only on a single country but also on a broader region. Having knowledge in the field of International Finance is becoming more and more important in this modern world. This course intends to cover the topics ranging from foreign exchange markets, exchange rate theories, exchange rate systems, balance of payments, and economic policy under an open economy framework. It will provide students who are interested in advanced study with a solid background in Open Economy Macroeconomics. For students who are ambitious in the growing global business, it will also offer basic knowledge tools for business and investment decisions in the future.

Textbook

International Economics: Theory and Policy, 12th edition, by Paul R. Krugman, Maurice Obstfeld, and Marc J. Melitz, Addison Wesley, Pearson Global Edition.

Class Requirements and Grading Policy

You are expected to attend and participate in the class regularly. I will assign homework, give tests, and take class roll from time to time. Please be advised that I will not accept late homework. The textbook should not be the only source of knowledge for international finance. Taking class notes, reading journal articles, newspapers, magazines, and browsing websites of related topics are highly recommended. Each student will be responsible to present a related topic at least once in the class. This can be done in groups and will account for 10% of your score. General performance during the whole semester will account for 30% of your final grade. There will be one mid-term (30%) and one final examination (30%). **Cheating in any forms will result in your failure in this course.**

Class Meeting Time and Place

Friday 9:10 a.m. ~ 12:00 p.m., **Classroom C109**, Management Building.

Office Hours

Thursday 2:00 ~ 4:00 p.m., or by appointment.

Room D409, Humanities and Social Sciences Building I.

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Course Outline

This is just the tentative schedule. I reserve the rights to add or drop some of the materials.

Week	Date	Topics	Notes
1	Feb. 23	Introduction to International Finance	
2	Mar. 1	National Income Accounting and the Balance of Payments	Ch13
3	Mar. 8	National Income Accounting and the Balance of Payments	Ch13
4	Mar. 15	Exchange Rates and the Foreign Exchange Market: An Asset Approach	Ch14
5	Mar. 22	Exchange Rates and the Foreign Exchange Market: An Asset Approach	Ch14
6	Mar. 29	Money, Interest Rates, and Exchange Rates	Ch15
7	Apr. 5	Spring Break	No Class
8	Apr. 12	Money, Interest Rates, and Exchange Rates	Ch15
9	Apr. 19	Midterm Examination	
10	Apr. 26	Price Levels and the Exchange Rate in the Long Run	Ch16
11	May 3	Price Levels and the Exchange Rate in the Long Run	Ch16
12	May 10	Output and the Exchange Rate in the Short Run	Ch17
13	May 17	Output and the Exchange Rate in the Short Run	Ch17
14	May 24	Fixed Exchange Rates and Foreign Exchange Intervention	Ch18
15	May 31	Fixed Exchange Rates and Foreign Exchange Intervention	Ch18
16	Jun. 7	International Macroeconomic Policy: Selected Topics The International Monetary Systems Class Presentation and Discussion	Ch19
17	Jun. 14	Final Examination	
18	Jun. 21	Alternative Curriculum	