

HURON UNIVERSITY COLLEGE

Economics 2164a

International Finance

Room W8. Monday 12:30 p.m. to 2:30 p.m. & Wednesday 1:30 p.m. to 2:30 p.m.

Dr. D. Williamson
Office: # A213

Fall 2009

Office Hours: Mondays 3:30 p.m. to 5:30 p.m., and by appointment.

This half course examines the monetary and financial aspects of trade and investment between nations.

To be eligible to register for this course a student must have taken, and passed, one of the introductory macro-economic courses numbered Economics 2152a/b (formerly Economics 152a/b) or Economics 2220a/b (formerly Economics 220a/b). Antirequisites for this course are Economics 3353a/b and Economics 3370a/b.

There will be two examinations in this course.

The mid-term exam will be held on **Monday October 26, 2009** in class time and will account for 45% of the overall grade.

The final examination will be on a date set by the Registrar during the final examination period. This exam will count for 55% of the overall grade.

Melvin is recommended as your principal text, with Krugman and Obstfeld as a supplementary. Both can be obtained from the U.W.O. Bookstore.

1. Michael Melvin, International Money and Finance, 7th edition, Addison-Wesley, 2004.
2. Paul Krugman and Maurice Obstfeld, International Economics, Theory and Policy, 8th edition, Addison-Wesley, 2009.

I am required to advise you of the following:

Prerequisite Information:

Students are responsible for ensuring that they have successfully completed all course prerequisites. If you do not have the prerequisites for this course or written special permission from the Dean to enroll in this course, you will be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Scholastic Offences:

Students must write their essays and assignments in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence. Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:

http://www.uwo.ca/univsec/handbook/appeals/scholastic_discipline_undergrad.pdf .

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Plagiarism is an academic offence and will be treated as such. Students who are in doubt as to the nature of this offence should consult their instructor, Department Chair or the Dean, as well as the Huron University College Statement on Plagiarism, available at the reference desk in the HUC Library and at <http://www.huronuc.on.ca/pdf/FASSonPlagiarism.pdf> .

In addition, students may seek guidance from a variety of current style manuals available at the Reference Desk in the HUC Library Information about these resources can be found at:

http://www.huronuc.ca/library/research_guides_and_handouts .

Technology:

An electronic calculator may be used in a mid-term or a final examination provided the electronic instrument used performs calculation functions only. The use of a cell phone, for example, to perform calculations in the examination room is not permitted.

It is not appropriate to use technology (such as, but not limited, to laptops, PDAs, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Program & Academic Counselling and Support Services:

Economics and MOS students registered at Huron who require advice about modules and courses in Economics, Finance and MOS should contact Dr. B. Murphy, Chair of the Department of Economics & Business, Office V124, murphy2@huron.uwo.ca.

Other academic services such as academic counselling, community-based learning, career development, writing services, cross-cultural services, and international opportunities are available through the Academic Services Centre: West Wing, Huron University College, and see the Academic Counselling website for information on services offered.

http://www.huronuc.on.ca/faculty_arts_social_science/academic_services_centre/academic_counseling_contact_and_services/

Absence from an examination for a non-medical reason:

A student who misses a scheduled mid-term examination or the end of term final examination scheduled by the Registrar's office will receive the grade of zero on that missed examination. If a student misses the mid-term examination the weight on that examination will not be carried over to the final examination and there is no mid-term "make-up" examination date. Should a Huron student seek accommodation for a non-medical absence from an examination, the request for relief with supporting documentation is to be submitted to the Academic Services Centre for consideration. It will be the Dean's office that will determine whether accommodation is warranted. A non-Huron registered student who seeks accommodation for a non-medical absence from an examination is to submit a request for relief with supporting documentation to the Office of the Dean of the Faculty in which they are registered.

Absence from an examination for a medical reason:

For work representing 10% or more of the overall grade for the course, a student must present documentation indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities. Huron students should take their medical documentation to the Academic Counsellor, Academic Services Centre at Huron University College, together with a Request for Relief specifying the nature of the accommodation requested (additional information on the documentation and the process may be found at http://www.huronuc.on.ca/faculty_arts_social_science/academic_services_centre/academic_counseling_contact_and_services/). Documentation for non-Huron students must be submitted as soon as possible to the student's Faculty Dean's office. Academic accommodation will be granted ONLY where the documentation indicates that the onset, duration and severity of the illness are such that the student could not reasonably be expected to complete his/her academic responsibilities. Academic accommodation cannot be granted by the instructor or the department.

The UWO Student Medical Certificate (SMC)

(https://studentservices.uwo.ca/secure/medical_document.pdf) and

Request for Relief

(<http://www.huronuc.ca/pdf/AcademicCounsellingRequestforReliefFormMar08.pdf>)

are available at the Student Centre Website (<https://studentservices.uwo.ca/secure/index.cfm>), the Huron University College Academic counselling website

http://www.huronuc.on.ca/faculty_arts_social_science/academic_services_centre/academic_counseling_contact_and_services/

or from the Academic Services Centre at Huron.

COURSE OUTLINE

1.	Mon.	Sep. 14	Course Introduction, and The Foreign Exchange Market.	M Introduction, M Ch.1..
2.	Wed.	Sep 16	The Foreign Exchange Market (cont'd).	KO pp 317-25.
3.	Mon.	Sep. 21	The Balance of Payments	M Ch.2; KO pp 301-309.
4.	Wed.	Sep. 23	Foreign Exchange Market Mechanics	M Ch.4, 5. M pp 95-99.
5.	Mon.	Sep. 28	Foreign Exchange Market Mechanics (cont'd)	KO pp. 325-27, 336-40, 348-50.
6.	Wed.	Sep. 30	To be announced.	
7.	Mon.	Oct. 5	International Investment and Capital Flows	M Ch. 7.
8.	Wed.	Oct. 7	Prices and Exchange Rates: Purchasing Power Parity	M Ch.8; KO pp 382-401.
9.	Mon.	Oct. 12	Thanksgiving Holiday Monday. No Class.	
10.	Wed.	Oct. 14	The Elasticities Approach to the Trade Balance	M pp 147-59, KO pp 447-49, 457-9.
11.	Mon.	Oct. 19	Foreign Income Multipliers and the Absorption Approach	M pp 160-1, 267-9. KO pp. 293-301.
12.	Wed.	Oct. 21	Money and Asset Markets	M pp. 161-68, 171-193.
13.	Mon.	Oct. 26	<u>Mid-Term Exam. In Class.</u>	
14.	Wed.	Oct. 28	Policy Options - An Overview. Internal and External Balance.	KO pp. 502-507.
15.	Mon.	Nov. 2	Internal and External Balance under Fixed and Flexible Exchange Rates	KO pp. 518-522.
16.	Wed.	Nov. 4	Internal and External Balance under Fixed and Flexible Exchange Rates (cont'd)	KO pp. 518-522.
17.	Mon.	Nov. 9	Internal and External Balance & Exchange Rates (cont'd)	KO pp. 518-522.
18.	Wed.	Nov. 11	Monetary and Fiscal Policy under Fixed and Flexible Exchange Rates.	M. pp. 259-67.
19.	Mon.	Nov. 16	Fixed vs Flexible Exchange Rates	M pp. 51-4; KO pp. 532-558.
20.	Wed.	Nov. 18	The Historical International Monetary System: The Gold Standard	M pp. 41-4; KO pp. 507-15.
21.	Mon.	Nov. 23	Bretton Woods and the IMF	M pp 44-6; KO pp. 515-518.
22.	Wed.	Nov 25	The International Monetary System: Post Bretton Woods	M pp. 46-51; KO pp. 523-528.
23.	Mon.	Nov. 30	Currency Boards and Composite Currencies (ECU's and SDR's)	M pp. 59-66; KO pp. 646-8.
24.	Wed.	Dec. 2	Eurodollars and Eurobonds.	M pp. 227-241, KO pp. 598-603.
25.	Mon.	Dec. 7	Optimal Currency Areas.	M pp. 54-59; KO pp. 565-90.
26.	Wed.	Dec. 9	Course Wrap-up.	