

Department of Economics  
Wilfrid Laurier University  
FALL 2007  
**EC 349**  
**International Finance**

**INSTRUCTOR**

Sharif Khan  
Ph.D. Candidate, Queen's Economics Department  
Office: P2056  
Phone: 519-884-0710, EXT 2270  
Email: [shkhan@wlu.ca](mailto:shkhan@wlu.ca)  
Website: <http://qed.econ.queensu.ca/pub/students/khans/>

**LECTURE HOURS AND LOCATION**

Tuesdays and Thursdays 2:30 – 3:50 p.m., P3067

**OFFICE HOURS**

Tuesdays and Thursdays 1:00pm-2:00m, or by appointment

**COURSE WEBPAGE**

Click on the link for this course posted on the instructor's website:

<http://qed.econ.queensu.ca/pub/students/khans/> .

The course outline, assignment questions, solutions to optional assignments and solution to mid-term exam will be posted on the course webpage. Important announcements concerning the course will also be posted there.

**COURSE DESCRIPTION**

Macroeconomic theory is discussed in the context of an economy which is engaging in international trade. Besides dealing with the effects of trade on such things as domestic employment and inflation, the course places considerable emphasis on how trade is financed, exchange rate and balance of payments determination, the international financial system and macroeconomic policy.

**PREREQUISITES**

[EC250](#) or [EC290](#) (or EC240). [EC250](#) or [EC290](#) (or EC240) may be taken as a co-requisite.

**REQUIRED TEXT**

International Economics: Theory and Policy, 7<sup>th</sup> Edition, 2006, Paul Krugman and Maurice Obstfeld, Addison-Wesley, ISBN 0321451341. [KO]

**TEXTBOOK WEBSITE**

[www.aw.com/krugman\\_obstfeld](http://www.aw.com/krugman_obstfeld)

## EVALUATION

Two Optional Assignments (You do NOT have to Submit)	0%
Two Required Assignments	10%
Mid-term Exam	40%
Final Exam (Comprehensive)	50%

The course grade will be determined by the following rule:

**Course Grade = maximum {(10% of Assignments + 40% of Midterm + 50% Final), (10% of assignments + 90% of Final)}**

Students **must** write both the midterm exam and final exam to pass this course. If a student misses the midterm exam due to acceptable medical reasons or unavoidable circumstances, the weight of his or her midterm exam will be added to the final exam. Students must report to me the reasons of not writing the midterm exam prior to the exam date or immediately after the exam.

## ACCESSIBLE LEARNING STATEMENT

*Students with disabilities or special needs are advised to contact Laurier's Accessible Learning Centre for information regarding its services and resources. Students are encouraged to review the Calendar for information regarding all services available on campus.*

## ACADEMIC AND RESEARCH MISCONDUCT

*You are reminded that the University will levy sanctions on students who are found to have committed, or have attempted to commit, acts of academic or research misconduct. You are expected to know what constitutes an academic offense, to avoid committing such offenses, and to take responsibility for your academic actions. For information on categories of offenses and types of penalty, please consult the relevant section of the Undergraduate Academic Calendar. If you need clarification of aspects of University policy on Academic and Research Misconduct, please consult your instructor.*

*Wilfrid Laurier University uses software that can check for plagiarism. Students may be required to submit their written work in electronic form and have it checked for plagiarism.*

**COURSE OUTLINE AND LECTURE PLANS**  
(Reference codes refer to the texts mentioned above)

<b>Date</b>	<b>Topic</b>	<b>References/ Comments</b>
Sep 11, 2007	National Income Accounting and the Balance of Payments	KO: Ch 12
Sep 13, 2007	National Income Accounting and the Balance of Payments	KO: Ch 12
Sep 18, 2007	Exchange Rates and the Foreign Exchange Market: An Asset Approach	KO: Ch 13
Sep 20, 2007	Exchange Rates and the Foreign Exchange Market: An Asset Approach	KO: Ch 13
Sep 25, 2007	Money, Interest Rates, and Exchange Rates	KO: Ch 14
Sep 27, 2007	Money, Interest Rates, and Exchange Rates	KO: Ch 14
Oct 2, 2007	Price Levels and the Exchange Rates in the Long Run	KO: Ch 15
Oct 4, 2007	Price Levels and the Exchange Rates in the Long Run	KO: Ch 15
Oct 9, 2007	Output and Exchange Rate in the Short Run	KO: Ch 16
Oct 11, 2007	Output and Exchange Rate in the Short Run	KO: Ch 16
Oct 16, 2007	Fixed Exchange Rates and Foreign Exchange Intervention	KO: Ch 17
Oct 18, 2007	Fixed Exchange Rates and Foreign Exchange Intervention	KO: Ch 17
<b>Oct 23, 2007</b>	<b>MID-TERM EXAM</b>	
Oct 25, 2007	The International Monetary System, 1870-1973	KO: Ch 18
Oct 30, 2007	The International Monetary System, 1870-1973	KO: Ch 18
Nov 1, 2007	Macroeconomic Policy under Floating Exchange Rates	KO: Ch 19
Nov 6, 2007	Macroeconomic Policy under Floating Exchange Rates	KO: Ch 19
Nov 8, 2007	Optimal Currency Areas and the European Experience	KO: Ch 20
Nov 13, 2007	Optimal Currency Areas and the European Experience	KO: Ch 20
Nov 15, 2007	The Global Capital Market: Performance and Policy Problems	KO: Ch 21

Nov 20, 2007	The Global Capital Market: Performance and Policy Problems	KO: Ch 21
Nov 22, 2007	Developing Countries: Growth, Crisis, and Reform	KO: Ch 22
Nov 27, 2007	Developing Countries: Growth, Crisis, and Reform	KO: Ch 22
Nov 29, 2007	TBA	

**Note:** Additional readings, if necessary, will be assigned during the semester.

### **TIPS TO DO WELL IN THIS COURSE**

- Attend all the lectures and actively participate in class. Feel free to ask as many questions as you want in the class. There is no ‘stupid question’ in my class.
- Read the textbook and other assigned readings between the lines and go through your lecture notes from the class. If you have any questions, please ask me during my office hours.
- Do all the assignments. Assignments are meant for helping you understand the course materials and prepare you for the exams.
- Go through the solutions to all assignments and mid-term carefully. If you face any problems, feel free to stop by during my office hours.