

Portland State University
Economics Department
EC 441: International Monetary Theory and Policy
Leopoldo Rodríguez
Spring 2004

Office:	Class:	Appointments:
CH 241Q	PCAT 138	(503) 725-3929
MWF: 9:30 to 10:15	MWF: 12:45 to 1:50 PM	leopoldo@pdx.edu

Course Description:

Students will study key concepts on international monetary theory and policy, developing an ability to analyze issues of international finance in the process. Topics include balance of payments, foreign currency markets, flexible and fixed exchange rates, open economy macroeconomics and financial crises. By the end of the course students will be expected to be able to evaluate the appropriateness of policies implemented by governments and international financial organizations.

Grading:

Your grade will be based on your performance in homework, discussion assignments, class participation, midterm exam and final exam.

Class participation	Daily	10%
WebCT Discussions	Weekly	20%
Midterm exam	Friday April 23 at 2:00 PM to Monday April 26 noon	30%
Final exam	Monday June 7 th - 12:30 to 2:20 PM	40%

Academic Dishonesty:

Academic dishonesty of any kind will not be tolerated. All the work that you submit as part of your grade must be your own. All sources used in homework, projects or exams must be fully cited.

WebCT:

This course will make use of WebCT, which is web-based. You will use a browser, such as Netscape or Internet Explorer to access course information. Your WebCT username will be the same as you Odin computer account username (e.g., smithj). Your WebCT password will be the last four digits of your PSU ID number (NOT the same as your Odin password). If you do not have an Odin account, please create one as soon as possible at www.account.pdx.edu/setup. To access the course materials go to www.webct.pdx.edu. If you experience problems call the HelpDesk at 725-HELP or contact me.

Course Materials:

Barry Eichengreen (1996) *Globalizing Capital*, Princeton University Press, Princeton. Articles available on webCT under Readings link.

I will not use a textbook. However, I highly recommend consulting the international monetary section of any of the major international economics textbooks available. I recommend Yarbrough & Yarbrough, *The World Economy: Trade and Finance*, any edition, Southwestern Press. Dominick Salvatore, *International Economics*, any edition, Wiley, can also be helpful. You can find these books under reserve at the PSU library.

Outline of Topics

Week 1		
Monday, March 29	Introduction	
Wednesday, March 31	Exchange Rates	
Friday, April 2	Balance of Payments Accounts	
Week 2		
Monday, April 5	Balance of Payments and Currency Mkts	
Wednesday, April 7	The Gold Standard	
Friday, April 9	The Gold Standard II	
Week 3		
Monday, April 12	Open Economy Macroeconomics	
Wednesday, April 14	The IS Curve	
Friday, April 16	The LM Curve	
Week 4		
Monday, April 19	IS, LM and BOP Curves	
Wednesday, April 21	Bretton Woods	
Friday, April 23	The Dollar-Gold Standard	
Week 5		
Monday, April 26	SR Macro Policy with Fixed Exchange Rates and Immobile Capital	
Wednesday, April 28	SR Macro Policy with Fixed Exchange Rates and Mobile Capital	
Friday, April 30	Fall of the Dollar-Gold Standard	
Week 6		
Monday, May 3	The Managed Float	
Wednesday, May 5	SR Macro Policy with Flexible Exchange Rates and Immobile Capital	
Friday, May 7	SR Macro Policy with Flexible Exchange Rates and Mobile Capital	
Week 7		
Monday, May 10	Long Run Equilibrium	
Wednesday, May 12	Monetary Approach and Exchange Rate	
Friday, May 14	Neoliberalism	
Week 8		
Monday, May 17	Aggregate Demand and Supply	
Wednesday, May 19	Macro Policies and Shocks	
Friday, May 21	Mexico's Peso Crisis and Tequila Effect	
Week 9		
Monday, May 24	South East Asian Crisis of 1997	
Wednesday, May 26	Russian Crisis of 1999	
Friday, May 28	Argentina's Dollar Standard 1991-2001	
Week 10		
Monday, May 31	<i>Memorial Day</i>	
Wednesday, June 2	Documentary "The Crash"	
Friday, June 4	Review/catch up	