160B: International Macroeconomics

Lecture: T, Th 9:00-10:20 AM, Wellman 026
Sections: Tuesday 7:10-8:00 PM and 6:10-7:00 PM, Wellman 001
Professor Bergin (1141 SSH)    Office hours: T 10:40-12:10, W 10:00-11:30
TA: Adib Bagh (123 SSH)          Office hours: TBA

Objectives: The goal is to understand what determines a country’s exchange rate, trade balance, and national output. The first portion of the course will lay out several useful theories regarding these variables, and the second portion will help you assemble these theories into an overall analytical framework usable for policy analysis. The third portion of the course will challenge you to apply this analytical framework to several current and historical policy issues.

Prerequisites: The course will be taught at an intermediate level. Prerequisites are intermediate microeconomics (100 or 104) and intermediate macroeconomics (101 or 105).

Text: We will be testing a draft manuscript, which can be purchased at the UCD bookstore: International Economics by R. Feenstra and A. Taylor, chapters 13-21, denoted below as FT.


Outline of Topics: (as time permits)
1) Introduction to exchange rates (FT chapter 13)
2) The monetary approach to exchange rates (FT chapter 14)
3) The asset approach to exchange rates (FT chapter 15)
4) National and international accounts (FT chapter 16)
5) The gains from globalization (FT chapter 17)
6) Macroeconomic policies (FT chapter 18)
7) History of the international monetary system (FT chapter 19)
8) European monetary union (FT chapter 21)
9) Currency Crises (FT chapter 20)

Evaluation:
The course grade is based on 5 homework assignments, 1 midterm exam, and a comprehensive final exam. The overall score will be computed as whichever of the following is higher:

| 1) 15% homework + 35% Midterm + 50% Final |
| 2) 15% homework + + 85% Final |

Exams are scheduled for the following dates. No makeup exams will be given.

| Midterm | Thursday May 10, in class |
| Final | Friday June 8, 4-6PM, Wellman 026 |

(3/21/07)