160B: International Macroeconomics

Lecture: T,TH 10:30-11:50AM, Chem 179
Professor Bergin Office hours: M 2-4PM, TH 3:50-4:50PM, 1141 SSH
T.A. Jiwon Lee Office hours: W 10AM-noon 117 SSH
Tao Liu M 4-6PM, 117 SSH

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) and intermediate macroeconomics (101).


Outline of Topics:
1) Introduction to exchange rates (chapter 2)
2) The monetary approach to exchange rates (chapter 3)
3) The asset approach to exchange rates (chapter 4)
4) National and international accounts (chapter 5)
5) The gains from financial globalization (chapter 6, as time permits)
6) Macroeconomic policies (chapter 7)
7) History of the international monetary system (chapter 8)
8) European monetary union (chapter 10)
9) Currency Crises (chapter 9, as time permits)

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:

<table>
<thead>
<tr>
<th>Option</th>
<th>Formula</th>
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<tbody>
<tr>
<td>1</td>
<td>15% homework + 35% Midterm + 50% Final</td>
</tr>
<tr>
<td>2</td>
<td>15% homework + 85% Final</td>
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You have until 1 week after a midterm is first handed back to request a regrade, and the whole exam will be regraded, so the score might go down. You have until 1 week after homework grades are posted in the gradebook on smartsite to notify your TA of a missing grade (or until the day of the final exam for homework #5). Exams are scheduled for the following dates. No makeup exams will be given.

<table>
<thead>
<tr>
<th>Exam</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>Midterm</td>
<td>November 13, in class</td>
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<tr>
<td>Final</td>
<td>December 15, 1-3PM, Chem 179</td>
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