

International Money/Finance
ECON 420 - 001 (CRN: 70896)
George Mason University
Fall 2018; MW 3:00 pm - 4:15 pm
James Buchanan Hall D023

Instructor: Luai A. AlSadiq, lalsadiq@gmu.edu
Office Hours: MW 1:00 pm - 2:00 pm and R (by appointment)
Prerequisites: ECON 306 and 311, or permission of instructor

Course Objectives:

This course examines balance of payments, exchange rate behavior, and open economy macroeconomics. Course material will cover the international financial system. This undergraduate course should assist in improvement of students' analytical skills, particularly with regards to macroeconomic data collection and current events in international finance.

Course Description:

The course will address the following topics: exchange rate behavior; the balance of payments and its relationship to the National Income and Product Accounts; the international monetary system; fixed versus floating exchange rates; the Eurozone; and other topics in international macroeconomics. We will also discuss exchange rate crises, banking crises, and default crises in current and historic events.

Course Material:

- I. Feenstra and Taylor, International Macroeconomics (Fourth Edition, 2016)¹
- II. Getting online access to LaunchPad for International Economics (see below)

LaunchPad Account:

- My online course is open for student registration. Follow these steps to get started. If you need additional guidance, consult the [support site](#), especially the system requirements which list recommended browsers.
- Go to <http://www.macmillanhighered.com/launchpad/feenstrataylorintlecon4e/8363793>
- Bookmark the page to make it easy to return to (although note that the URL will look different due to security measures).
- Enroll in this course using one of the following options:
 - If you have an access code, select "I have a student access code", enter the code exactly as it appears on the card, and click Submit.
 - If you don't have an access code, either purchase a text package that includes one OR click "I want to purchase access" and follow the instructions.

¹ You can get both the book and the LaunchPad Account as a package through Macmillan Learning for a discounted student price.

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- If you need to start working but can't purchase right away, select "I want temporary access" and follow the instructions. Please note: Your grades are linked to your Launchpad account username (email address). If you use temporary access, make sure you purchase or register your code using the same email address for your paid access.
- If you have problems registering, purchasing, or logging in, please [contact Customer Support](#).
- You can reach a representative 7 days a week:
 - through the online form
 - by chat
 - by phone at (800) 936-6899

Important Dates:

First day of class:	Mon, August 27
Labor Day, university closed:	Mon, September 3
Last day to add classes—all individualized section forms due:	Tue, September 4
Final Drop Deadline (no tuition penalty)	Mon, September 10
Midterm Exam	Mon, Oct 1
Fall Break (Monday classes meet Tue. Tue classes do not meet this week)	Mon, October 8
Thanksgiving recess	November 21 – 25
Last day of class/Paper due:	Wed, December 5
Final Exam:	Mon, December 17 (1:30 pm – 4:15 pm)

Grading:

Grades will be broken down as follows:

- Attendance & Participation – **10%**
- Weekly Homework – **20%**
 - ✓ ¾ Assigned Homework
 - ✓ ¼ Learning-Curve Assignments (*Participation Credit*)
 - ✓ ¼ Work-It-Out Assignments (*Extra Credit*)
- Research Paper – **20%**
- Midterm – **20%**
- Final Exam – **30%**

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Participation and Homework:

You will be required to participate on a regular basis to show me that you have read the assigned material. You will also be required to turn in all homework assignments on *LaunchPad* by the due date. Due to the way the LaunchPad platform reports the grades: ***no homework extension would be granted; so please start working on your homework assignment early in the week.***

At the end of the semester if I feel you have contributed at least a few times throughout the semester and you have also handed in/submitted your homework you will receive full credit on the participation part of the grade (pending the homework is done honestly and correctly). I also reserve the right to bump a student's grade up one level (i.e. A- to A) if I feel they have gone above and beyond in participation. This will give you incentive to contribute to class conversation.

Homework Policy:

Homework is due at 11:59 pm on selected Sundays. Again, due to the way LaunchPad platform reports the grades, deadline extensions won't be granted. Please plan ahead to ***finish*** the homework assignment by the posted deadline.

Learning-Curve Assignments (*Through LaunchPad*):

You will be assigned a learning-curve assignment for each chapter. The goal of the assignments is to reinforce the main concepts of each week's chapters. Therefore, doing this assignment by the end of each chapter will function as a de facto, review of the material we covered during that week. Learning-Curve Assignments would be available on LaunchPad alongside the end of chapter homework assignments. For this part, you will be graded on your participation; so, doing all your weekly learning-curve assignment would automatically grant you $\frac{1}{4}$ of the homework grade.

Work-It-Out Assignments (*Through LaunchPad*):

The Work-It-Out Assignments will ***not*** be assigned as a homework requirement, but they would be available as part of the assigned chapters for extra credits. Doing all the WIO assignments ***correctly*** would boost your homework grade by $\frac{1}{4}$ as well.

Research Paper

Research paper is due at the beginning of class on the last day of classes (Wed, Dec. 5th). The paper must be submitted as a hard copy; no emails will be accepted. Late papers will not be accepted. The paper will consist of an eight-pages manuscript that includes (~ one page per item):

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1. Title page with name and abstract of up to 150 words
2. Introduction: motivation and research question
3. Literature review
4. Hypotheses and propositions
5. Data description and identification strategy
6. Results and limitations of the research
7. Discussion, extensions, and conclusions
8. References (in APA or Chicago style) with at least three journal articles

EXAMS:

There will be two exams throughout the semester (one midterm and a final). The exams are meant to test your understanding of the lectures and the reading material. The exams will be either multiple choice questions, short answer questions or a mix of both. Lecture notes won't be posted online as they are a mere reflection of the book's material and won't be of much help when read out of the lectures' context. Therefore, attendance is crucial to a satisfactory performance on the exams. If you need help with the material, I am available for help via e-mail, during office hours before class, or by appointment.

I do not offer makeup exams. If you are sick on the day of a midterm exam, I require a doctor's note. In such cases, I shift the weight of the missed midterm to the final exam. **If you miss an exam and do not substantiate your absence, you will receive a score of 0 for that exam.**

Schedule:

Week	Chapter	Topics
8/27	1	Course Introduction, Class Survey, The Global Macroeconomy
9/3	2	Introduction to Exchange Rates and the Foreign Exchange Market
9/10	3	Exchange Rates I: The Monetary Approach in the Long Run, S. 1-3 (p. 63-89)
9/17	3	Exchange Rates I: The Monetary Approach in the Long Run, S. 4-6 (p. 89-104)
9/24	4	Exchange Rates II: The Asset Approach in the Short Run
10/1		<i>Midterm Exam, Midterm Exam Review</i>
10/8	5	National and International Accounts: Income, Wealth, Balance of Payments
10/15	6	The Balance of Payments I: The Gains from Financial Globalization
10/22	7	The Balance of Payments II: Output, Exchange Rates, Macroeconomic Policies
10/29	8	Fixed Versus Floating: International Monetary Experience
11/5	9	Exchange Rate Crisis: How Pegs Work, S. 1-2 (p. 347-379)
11/12	9	Exchange Rate Crisis: How Pegs Work, S. 3-5 (p. 379-397)
11/19	10	The Euro
11/26	10	The Euro
12/3	11	Topics in International Macroeconomics/ <i>Paper Due</i>
12/17		<i>Final Exam.</i>

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Honor Code:

GMU has an Honor Code with clear guidelines regarding academic integrity. Submit only your own work for assignments, exams, and presentations, and include citations for attributions for any text that is not your own writing, through quotation marks and reference citations.

Plagiarism:

Plagiarism is obviously a serious offense. Your papers should be your own original work. If you are unsure as to what constitutes plagiarism, please see the George Mason Honor Code: <http://mason.gmu.edu/~montecin/plagiarism.htm>. If I find that you have plagiarized, I will fail you for the course and report you to the George Mason Honor Committee.

Disabilities:

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services at 703.993.2474 or ods.gmu.edu. All academic arrangements concerning disabilities must be made through that office.