Economics 461. International Macroeconomics
**Preliminary -- Subject to Change**

Writing Intensive

Office Hours

- TBA
- Saunders 513, 956-7285, email: gangnes@hawaii.edu
- Web site: http://www2.hawaii.edu/~gangnes/461main.htm

Prerequisite

Economics 300. Intermediate Economics: Macro Analysis

Student Learning Outcomes

1. To be familiar with and able to explain key elements of international macroeconomics, including the the cause and effect of current account deficits and surpluses, the theory of exchange rates and their relationship to national income and international competitiveness, the role of government policy under fixed and flexible exchange rates, the problem of coordinating policies in an integrated world economy, and the causes and consequences of balance of payments crises.
2. To be able to use appropriate models to analyze the issues listed above, and to draw appropriate conclusions about the likely effect of economic developments and policy interventions.
3. To improve your ability to use writing as a means to learn course material, as a tool for analysis, and in communicating analytical results.

Readings

The required text for this course, available in he bookstore, is:


I will also assign a number of supplementary readings for class discussion and to accompany homework assignments. You are responsible for all assigned textbook readings, supplementary readings, and the content of my lectures.

I also strongly encourage you to keep abreast of news in the area by reading the business section of a good general newspaper, The *Wall Street Journal* or The *Economist*, on a regular basis.

Readings on Writing

You will do a substantial amount of writing during the course of the semester. To help you with composition, style and grammar, you may want to buy or consult one of the following texts:

Course Requirements

Grades for the course will be based on one midterm exam (20%), one comprehensive final exam (25%), a group project (20%), and homework essay assignments, etc. (35%).

Exams:

The midterm and final exams must be taken at the dates and times given in the schedule below. Except for medical emergency, I will not schedule makeup exams.

Homework Essays:

There will be five or six homework essays assigned during the semester, asking you to apply the analytical methods that we are working with to a particular issue or problem. Each assignment will require you to write a one- to two-page essay in response to a specific question. You will generally be asked to re-write the essay after I have given you some comments on your first draft. The homework assignments can be considered representative of possible exam questions.

Group Project:

In teams of about 3 students, you will complete a group research project and make a class presentation. Each project presentation should take 25-30 minutes. Each project report must be submitted no more than one week after your presentation and should not exceed 15 double-spaced one-sided pages in length (inclusive of tables, footnotes and references). I will give you a list of assigned projects and specific instructions and deadlines sometime during the first several weeks of class.

In-class Writings:

From time to time I may ask you to write a brief in-class response to a question related to the lecture topic. For the most part these will be "free writings," writings that are not collected by me, but rather are intended to stimulate you to think about an issue and to serve as a starting point for class discussion. Periodically, I will collect an in-class writing to give me some indication of how well you are understanding the course material—and to see if you are showing up! I will let you know before you write if I plan to collect that day's writing.

Attendance and Class Participation (This is the "etc." mentioned above.)

I will conduct class in an informal lecture and discussion format. I expect you to attend class, be prepared by reading material before class, and participate in class discussion. I will call on students by name regularly to discuss readings, writings and lecture topics. You may also be asked to work in small groups on some of the homework or in-class writing assignments.

To make this work, you have to keep up with the class. Read handouts and textbook chapters before I lecture on the material, and don't miss class. If you miss two or more consecutive classes, you must provide me with a documented reason for your absence.

Plus-Minus Grading
I will award plus and minus grades for course work and the overall course grade, according to this plus-minus grade schedule.

**Academic Integrity**

The University has strict standards on academic honesty and severe penalties for dishonesty. Please review carefully this page on honesty and the language in the University Catalogue. It is your responsibility to follow these rules, so please consult with me if you have questions.

**Students with Disabilities**

If you feel you need reasonable accommodations because of the impact of a disability, please (1) contact the KOKUA Program (V/T) at 956-7511 or 956-7612 in room 013 of the QLCSS, and (2) speak with me privately to discuss your specific needs. I will be happy to work with you and the KOKUA Program to meet your access needs related to your documented disability.

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**Some General Guidelines for Written Assignments:**

- The writing exercises serve a two-fold purpose: to help you learn economic ideas, and to give you practice in expressing these ideas in writing. I am primarily interested in the content of your writing, but getting the content across to a reader requires competence with basic writing skills. I will try to give you comments on your economic arguments as well as on formal aspects of your essays, such as organization, style, usage, and yes...grammar.
- I expect you to be a careful writer. I don't intend to be picky about writing mechanics, but if your paper is a mess it will hurt your grade. Proofread your drafts carefully for spelling, typographical, and punctuation errors. Try to avoid common grammatical and usage mistakes. I encourage you to have another student look over your work before you submit it.
- **Due dates are firm!** Any homework essay, paper draft, or other work submitted after the start of class on the day it is due will be marked down half a grade per day until I have received it.
- All work must be typed, double-spaced, with 1.5 inch margins on all sides. Use a "normal" sized typeface. Be sure to read the instructions for each assignment for any special format requirements.

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**Course Schedule**

The following is a plan for the course, showing exam and presentation dates (firm) and a lecture schedule (tentative).

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<tr>
<th>Date</th>
<th>Begin Discussing:</th>
<th>Exams, Presentations</th>
<th>Text Chapters</th>
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<tbody>
<tr>
<td>August</td>
<td></td>
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<tr>
<td>26</td>
<td>Course Overview</td>
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<td>28</td>
<td>National Income Accounting and the Balance of Payments</td>
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<td>12</td>
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<tr>
<td>September</td>
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<td>The Foreign Exchange Market</td>
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</table>
11 Money and the Exchange Rate
16
18 Prices and Long-run Exchange Rates
23
25
30 Output Determination

October 2 Under Flexible Exchange Rates & appendix II

7
9

Midterm Exam

14
16

21 Fixed Exchange Rate Systems
23
28
30 Pres. 1 & 2

November 4 Election Day -- No Class
6 Policy under Flexible Rates and Current Issues
11 Veterans' Day -- No Class
13
18 Pres. 3 & 4
20 Pres. 5 & 6
25
27 Thanksgiving -- No Class

December 2 Developing Economy Issues
4 Globalization: Good or Bad?
9
11 Last Day of Class

Final Exam: Tuesday, December 16, noon-2:00 pm