Economics 461. International Macroeconomics

**Preliminary Version--Subject to Change**

**Writing Intensive**

Office Hours

- Times 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

Course Content

Economics 461 studies the macro side of international economics. Topics include 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.

This is an official Writing Intensive course. We will use writing throughout the term to develop your understanding of the material and your ability to apply that material in written analysis.

Readings

The required text for this course, available in the 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:

Recent editions of these books should be available in the trade section of the bookstore or at Amazon.com

**Course Requirements**

Grades for the course will be based on one midterm exam (20%), one comprehensive final exam (30%), a group project (15%), 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 2-3 students, you will complete a group research project. Each project report must be submitted on or before the day of presentation and should not exceed 15 double-spaced one-sided pages in length (inclusive of tables, footnotes and references). The font size should be 12 or higher. Each project presentation should take 25-30 minutes. I will give you a list of assigned projects during the second week 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.

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.

**Course Schedule**

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Begin Discussing:</th>
<th>Exams, Presentations</th>
<th>Text Chapters</th>
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<tbody>
<tr>
<td>January</td>
<td>15</td>
<td>Course Overview</td>
<td></td>
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<td></td>
<td>17</td>
<td>National Income Accounting and the Balance of Payments</td>
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<td>22</td>
<td>The Foreign Exchange Market</td>
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February

5

7 Prices and Long-run Exchange Rates

12

14

19 Output Determination
21 Under Flexible Exchange Rates

March

4

6 Pres. 1 & 2

11 Fixed Exchange Rate Systems

13

18

20

25 Spring Break -- No Class

27

April

1

3 Pres. 3 & 4

8 Policy under Flexible Rates and Current Issues
10

15

17 Monetary Union
18

22 Pres. 5 & 6
24

29 Developing Economy Issues
30 Globalization: Good or Bad?
Final Exam: Tuesday, May 13, 9:45-11:45 AM