The course deals with international monetary economics, or the macroeconomics of open economies. Topics include foreign exchange markets, movements in exchange rates (devaluations and depreciations), the balance of payments, monetary and fiscal policy in an open economy, globalization of financial markets, international interdependence and global capital movements.

We will investigate such issues as the history of international monetary regimes, the Asian Financial Crisis, the European Currency Union (the Euro), the recent economic collapse of Argentina, and the debate on the International Monetary Fund (IMF).

At the end of this course, you might (or might not) be able to:

- Discuss why the current U.S. policy to weaken the dollar is right (or wrong).
- Convince your housemate that China should (or shouldn’t) devalue its currency.
- Solve Iraq’s debt problems (or give up on them).
- Explain why the IMF should be abolished (or shouldn’t be).
- Be able to inform your friends why Hong Kong’s Currency Board works (or doesn’t).