

ECO 3713, 006D & 11HH
INTERNATIONAL MACROECONOMICS
University of Florida
Spring 2020

INSTRUCTOR: Dr. Hamid Firooz
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OFFICE HOURS: M,W 4:05 pm – 6 pm, or by appointment

TEACHING ASSISTANT: Jieun Kim
TA's OFFICE and E-MAIL: MAT 341 ; jean5123@ufl.edu
TA's OFFICE HOURS: T 4 – 6 pm, W 9:30 – 11:30 am, or by appointment

LECTURES: (006D) T,R 9:35 am – 11:30 am in MAT 0107
(11HH) T,R 1:55 pm – 3:50 pm in MAT 0107

PURPOSE: Macroeconomics is concerned with the determination of a country's output, inflation, interest rates, exchange rates, & trade balance. This course adopts a highly international perspective, considering the international linkages arising from capital & trade flows as well as a comparison of macroeconomic policies and performance across countries. In addition, the course examines the effects of macroeconomic events on the international business environment. By the end of this course, you should be able to understand the coverage of international macroeconomics presented in print & on TV. Useful sources of macroeconomic news include publications like *The Economist* or *The Wall Street Journal* and TV shows on *CNBC* or *Bloomberg*.

ASSURANCE OF LEARNING OBJECTIVES (ECONOMICS MAJORS): Each major in the Warrington College of Business Administration and the College of Liberal Arts and Sciences has developed goals and objectives for students in that major. This course contributes to the following goals and objectives for Economics majors in both colleges

- Understand how decisions made by households, firms, the government and the foreign sector affect a country's macroeconomic variables like output, interest rates, inflation, exchange rates and the trade balance.
- Understand how economists use statistics to learn about economic behavior.
- Critically evaluate and compare alternative policies using complex criteria.
- Interpret, understand and communicate quantitative concepts.

PREREQUISITES: The prerequisites for this course are ECO 2013 & ECO 2023 (Principles of Macro & Micro). There are no other prerequisites. Specifically, you do not need to take ECO 3203 (Intermediate Macro) or ECO 3704 (International Trade) before you take this course.

GRADING: Grading is based on your performance on three 100-point tests, and three 10-point homework. You are expected to attend class though your grade is not based on attendance. Your grade for the course will be determined by your total points on the three tests and the three homework. The following scale will be used to determine your final course grade:

Score Range	Letter Grade
92.00 – 100	A
89.00 – 91.99	A-
86.00 – 88.99	B+
82.00 – 85.99	B
80.00 – 81.99	B-
77.00 – 79.99	C+
72.00 – 76.99	C
70.00 – 71.99	C-
60.00 – 69.99	D
0 – 59.99	E

There should be no need for a curve. If necessary, however, I will adjust the grading scale, but only in your favor. Once the final course grading scale is set, it is set in stone. There will be no extra-credit work, outside papers, etc. If you miss the next highest grade by a fraction of a percent you will have my sympathy - but I will not change your grade! Current UF grading policies for assigning grade points can be found at <http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>

TESTS: Presence at the tests is required unless there are **extraordinary** circumstances (e.g. you are in the hospital) or you have made advanced arrangements to take the test early. The tests are closed book and closed notes. Non-programmable calculators are allowed. This includes some basic financial and scientific calculators. The use of cell phones, PDAs or any other programmable device during an exam is not allowed and violating this policy may result in failing that exam and/or the class. As a basic rule, if **any** type of external cable can be connected to your calculator, its use is not allowed.

STUDENTS WITH DISABILITIES: Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation.

ATTENDANCE: Attendance is highly recommended but will not be checked. Tests are based on the material covered in class, which may or may not be covered in the text. If you do not come to class, you are still responsible for what was covered. I expect you to behave professionally by arriving on time, turning off cell phones, and refraining from texting during class.

FIRST CLASS:

For our first class, you will need to print hard copies of the syllabus and the handouts version of the first PowerPoint file from Canvas.

NOTES and TEXT:

Tests are based on lectures. Class notes are your most important resource. It will make learning the material much easier if you regularly attend lectures.

Most students take notes on note shells made from the handout version of my PowerPoint files. I'll be posting the PowerPoint files on Canvas before each class. Taking notes on a computer is difficult because we will be drawing graphs. Some students take text notes on their computers and then draw the graphs in a notebook. You can print note shells on your own from files posted on Canvas.

The recommended textbook for this course is *International Macroeconomics* (4th edition) by Robert Feenstra & Alan Taylor ISBN-10: 1-319-06172-9 ISBN-13: 978-1-319-06172-2). This textbook is recommended because it is a useful resource for reinforcing the material discussed in class. Although I will generally follow the text during the lectures, I will add, drop, or modify material to enhance the course. Testable material will come **exclusively** from the lectures. Students will be held accountable for material that is covered in class, but not available in the text. However, I **will not** hold students accountable for material from the book that is not directly discussed in class. For new books, there are a few formats available through the bookstore or through the publisher at

<https://www.macmillanlearning.com/college/us/product/International-Macroeconomics/p/1319061729>

Used books are also a good option. First, second, & third editions are perfectly good substitutes for the fourth edition.

TENTATIVE SCHEDULE: In the schedule that follows, the timing is approximate. Numbers in parentheses identify the corresponding PowerPoint files and also the book chapters.

Dates	Topic, Chapter
1/07	Going over the Syllabus, and The Global Macroeconomy (1)
1/09	The Global Macroeconomy (1)
1/14	The Global Macroeconomy (1), Intro to Exchange Rates & the Foreign Exchange Market (2)
1/16	Intro to Exchange Rates & the Foreign Exchange Market (2)
1/21	Intro to Exchange Rates & the Foreign Exchange Market (2)
1/23	Porsche Case (2)
1/28	Exchange Rates I: The Monetary Approach in the Long Run (3)
1/30	Exchange Rates I: The Monetary Approach in the Long Run (3)
2/04	Exchange Rates I: The Monetary Approach in the Long Run (3)
2/06	Exchange Rates II: The Asset Approach in the Short Run (4)
2/11	Test review session during class time
2/12 (Wednesday)	First Test: 6:15 pm – 8:10 pm – covers Chapters 1, 2, & 3 006D (T,R 3-4) STZ 102 11HH (T,R 7-8) STZ 103
2/13	Exchange Rates II: The Asset Approach in the Short Run (4)
2/18	National Income & Balance of Payments (5)
2/20	Gains from Financial Globalization (6)
2/25	Gains from Financial Globalization (6)
2/27	Output and Exchange Rates in the Short Run (7a)
3/03	Spring Break – No class
3/05	Spring Break – No class
3/10	Output and Exchange Rates in the Short Run (7a)
3/12	Output and Exchange Rates in the Short Run (7b)
3/17	Test review session during class time
3/18 (Wednesday)	Second Test: 6:15 pm – 8:10 pm , covers Chapters 4, 5, 6, & 7a 006D (T,R 3-4) STZ 102 11HH (T,R 7-8) STZ 103

	3/19	Output and Exchange Rates in the Short Run (7b)
3/24		Output and Exchange Rates in the Short Run (7b)
	3/26	Output and Exchange Rates in the Short Run (7c)
3/31		Output and Exchange Rates in the Short Run (7c)
	4/02	Fixed versus Floating Exchange Rates (8)
4/07		Fixed versus Floating Exchange Rates (8)
	4/09	Exchange Rate Crises (9)
4/14		The Euro (10)
	4/16	The Euro (10)
4/21		Test review session during class time
		Third Test: 6:30 pm – 8:15 pm , covers 7b&c, 8, 9, and 10
		006D (T,R 3-4) STZ 101
		11HH (T,R 7-8) STZ 104

READINGS FROM TEXTBOOK (page numbers are from the third edition)

1 The Global Macroeconomy	Read all of this chapter
2a Intro to Exchange Rates and the Foreign Exchange Market	Read all of this chapter
02b Porsche Case	Handout and class notes
03 Exchange Rates I: The Monetary Approach in the Long Run	Skip General Model 89 – 91 & 96 - 99
04 Exchange Rates II: The Asset Approach in the Short Run	Read all of this chapter
05 National & International Accounts	Skip External Wealth, 186 – 190
06 Balance of Payments I: The Gains From Financial Globalization	Skim, skipping 201-209, 218, 222-224, & 231 – 232.
07 Balance of Payments II: Output, Exchange Rates, & Macroeconomic Policies in the Short Run	Skip pp. 266 – 269
08 Fixed versus Floating Exchange Rates	Skip pp. 305 - 312 & 317 – 337
09 Exchange Rate Crises	Skip pp. 354 – 374, 379 – 382
10 The Euro	Read all of this chapter

NOTE ON END-OF-TERM COURSE EVALUATIONS:

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

WEBSITES: There are several useful websites that you may want to access.

The Economist is the premier international business news weekly; many articles are free to the general public. <http://www.economist.com/> If the article you want is not free; you can access it through the UF library databases.

EIU Viewswire provides current business intelligence on 203 countries and can be accessed through the UF library databases. This site has articles describing economic and political trends; it also has a “Data Tool” you can use to get data.

Commanding Heights – website for the 2001 PBS miniseries. You can watch the entire show (small format) over the Internet.
<http://www.pbs.org/wqbh/commandingheights/hi/index.html>

The three (2 hour parts) are also usually available on YouTube, just search for Commanding Heights. The DVD version is no longer in production

FRED II – macroeconomic database for the US provided by the Federal Reserve Bank of Saint Louis
<http://research.stlouisfed.org/fred2/>

World Data Bank- international database (macroeconomics, health, education, demographics) provided by the World Bank
<http://databank.worldbank.org/ddp/home.do>

The Wall Street Journal is an excellent source of current news. They offer discounted rates for students
www.WSJ.com/studentoffer

IMPLIED ACKNOWLEDGEMENTS: Enrollment in this course constitutes acknowledgement of the following:

- 1) I understand that the University of Florida expects its students to be honest in all their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action, up to and including expulsion from the University. Further information on the University's rules for academic honesty can be found at <https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>
- 2) I will adhere to university acceptable use policies as found at: <http://www.it.ufl.edu/policies/acceptable-use/acceptable-use-policy/>