

ECO 3713 - INTERNATIONAL MACROECONOMICS

University of Florida

Spring 2022

Instructor: Eugenio Rojas

Email: erojasbarros@ufl.edu

Class Meetings: Tuesdays-Thursdays 9:35AM - 11:30AM (Periods 3-4), MAT 119

Office Hours: Mondays 1:00PM - 3:00PM, Zoom (link will be posted on Canvas)

TA: Angel González

Email: angelgonzalez@ufl.edu

Office Hours: Wednesdays 10:00AM - 11:00AM, Fridays 2:00PM - 3:00PM, Zoom (link will be posted on Canvas)

Introduction and Objectives: 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.

Main Textbook: The recommended textbook for this course is International Macroeconomics (5th edition) by Robert Feenstra & Alan Taylor (FT hereon).

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.

Class Format: Each session is scheduled to last one hour and fifty-five minutes. We will have a fifteen-minute break towards the middle of the session. Roughly, three fourths of class time will be devoted to lectures. The remaining time will be used to solve problems and exercises based on previously covered topics and problem sets.

This course is offered in the HyFlex format. It will be delivered in person in MAT 119, but lectures will also be streamed synchronously over Zoom. You can choose to attend lectures in person, or watch remotely using the Zoom link provided in Canvas. Please note that this delivery modality could change as the public health situation evolves. The University, Department of Economics and I will continuously assess this situation. Regularly check your Canvas inbox and UF email account for future information on class delivery. If you attend face-to-face, masks are expected in all economics classes. <https://coronavirus.ufl.edu/health-guidance/>.

I do not plan to record our live sessions. However, plans may change depending on how things evolve. Given this, our class sessions may be audio-visually recorded for students in the class to refer back and for enrolled students who are unable to attend live. Students who participate with their camera engaged or utilize a profile image are agreeing to have their video or image recorded. If you are unwilling to consent to have your profile or video image recorded, be sure to keep your camera off and do not use a profile image. Likewise, students who un-mute during class and participate orally are agreeing to have their voice recorded. If you are not willing to consent to have your voice recorded during class, you will need to keep your mute button activated and communicate exclusively using the "chat" feature, which allows students to type questions and comments live. The chat will not be recorded or shared. As in all courses, unauthorized recording and unauthorized sharing of recorded materials by students or any other party is prohibited.

Class Schedule: All the relevant dates for this course, including lectures, midterm exams, and due dates for problem sets, are set in a calendar that will be posted on Canvas. Make sure you can access and see the information with no problem. Important dates:

- First Day of Class: January 5th
- Problem Sets: Due February 10th, March 17th, April 14th.
- Midterm 1: February 17th, class time.
- Midterm 2: March 24th, class time.
- Midterm 3: April 19th, class time.
- Make-Up Exam: April 29th.
- Last Day of Class: April 20th

Canvas: Canvas is the official website for this course. All the material such as slides, problem sets, additional study material and your grades will be included in Canvas. Please make sure you are able to log on to this course site. If you have are not able to log in, you should contact me

immediately.

Academic Integrity: You are expected to comply with the University's rules for academic honesty (which can be found [here](#)). Confirmed violations of these rules will result in disciplinary actions. Cheating is considered a serious offense to your classmates, to the University and to the instructor. I have a zero tolerance policy for cheating in this class and I will not make any exception.

Attendance Policy and Behavior: Class attendance is expected (and encouraged), and any material covered during the lecture is subject to evaluation. Please note that lectures will differ from the textbook.

On time submission of assignments is mandatory. There are few valid reasons to miss an assignment deadline in this class (in order to be valid it should be listed in the University's policy found [here](#)). Midterm dates, deadlines, and times are announced far enough in advance for students to clear up conflicts without my involvement. In case of a valid excuse you can request a make-up exam (please email me for this). Any unexcused absence from a midterm will imply a 0 grade.

Topics

1. The Global Macroeconomy
2. Intro to Exchange Rates and the Foreign Exchange Market
3. Exchange Rates I: The Monetary Approach in the Long Run
4. Exchange Rates II: The Asset Approach in the Short Run
5. National & International Accounts
6. Balance of Payments I: The Gains from Financial Globalization
7. Balance of Payments II: Output, Exchange Rates, & Macroeconomic Policies in the Short Run
8. Fixed vs. Floating Exchange Rates
9. Exchange Rate Crises
10. The Euro.

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/wgbh/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 Database – 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 <http://www.wsj.com/studentoffer>.

Special Needs and General Comments on Wellness: If you are a student with special needs and you require additional resources to participate successfully in this course, please contact me during the first week of classes. The Disability Resource Center may provide special accommodations for students. Once you obtain documentation from the DRC, please forward it to me and accommodations can be arranged.

College is an exciting learning experience and a unique opportunity for personal growth. It can, however, also be a stressful and difficult transitional period. If you are ever having general issues with your coursework in any course or trouble in your personal life, please seek help from myself or another faculty member. I also encourage you to utilize the FREE and ANONYMOUS services of the UF Counseling and Wellness Center.

Assignments and Grading

The Final Grade is composed by 4 different elements, which are:

- Problem Sets, 40% of Final Grade
- Midterm 1, 20% of Final Grade
- Midterm 2, 20% of Final Grade
- Midterm 3, 20% of Final Grade

Your final letter grade will be determined as follows:

92 – 100	<i>A</i>
89 – 91.99	<i>A–</i>
86 – 88.99	<i>B+</i>
82 – 85.99	<i>B</i>
80 – 81.99	<i>B–</i>
77 – 79.99	<i>C+</i>
72 – 76.99	<i>C</i>
70 – 71.99	<i>C–</i>
60 – 69.99	<i>D</i>
0 – 59.99	<i>E</i>

Problem Sets: There are three problem sets during the semester. These will involve a combination of data work and problem solving related to the topics seen in class. Problem sets may require time to be solved, as data gathering may be required, so I suggest you to work with anticipation on them. Problem sets have to be submitted before the start of the corresponding lecture. No late submissions are allowed and there will be no exceptions.

Exams: All regularly scheduled exams will be taken during class time. Non-programmable, four-function and scientific calculators are allowed; no other calculators are permitted. You may not use a graphing calculator or any device with communications abilities. The use of cell phones,

PDAs, or any other programmable device during an exam is not allowed and violating this policy will constitute a violation of the University of Florida Student Honor Code.

You will be allowed to use a 3-inch x 5-inch index card on each exam. This notecard must be hand-written on an actual index card and made by you. You cannot use a typed index card, nor can you cut paper down to 3x5 inches. I have allowed typed notecards in the past, but many concerns of cheating arose. Any use of a notecard that does not follow the rules stated here will constitute a violation of the University of Florida Student Honor Code.

Exam Make-Up Policy: There are few valid reasons to miss an exam in this class (in order to be valid it should be listed in the University's policy found [here](#)). Midterm dates and times are announced far enough in advance for students to clear up conflicts without my involvement. In case of a valid excuse you can request a make-up exam (please email me for this). Any unexcused absence from a midterm will imply a 0 grade.

Computing Requirements: Make sure that you have sufficient access to a computer and stable, secure internet connection. This is required for succeeding in an online course. Having access to a webcam and a microphone is encouraged. The UF Catalog provides a decent set of minimum system requirements that should be sufficient for this course. You can access them [here](#).

Internet Connectivity Issues: I only offer make-up assignments when there are known system-wide outages. These are the only outages that I can verify. I cannot verify individual connectivity problems, and thus, cannot accommodate them. Please plan ahead so that you can submit your assignments well before the deadline. In this way, in case you experience internet connectivity issues, you can find an alternative for submitting your work.

You are responsible for verifying that any assignment submission has properly been submitted. As a best practice, after submitting any assignment, check your sent email folder, and check that your email appears as sent.

Recording Policy: Students are allowed to record video or audio of class lectures. However, the purposes for which these recordings may be used are strictly controlled. The only allowable purposes are (1) for personal educational use, (2) in connection with a complaint to the university, or (3) as evidence in, or in preparation for, a criminal or civil proceeding. All other purposes are prohibited. Specifically, students may not publish recorded lectures without the written consent of the instructor.

A “class lecture” is an educational presentation intended to inform or teach enrolled students about a particular subject, including any instructor-led discussions that form part of the presentation, and delivered by any instructor hired or appointed by the University, or by a guest instructor, as part of a University of Florida course. A class lecture does not include lab sessions, student presentations, clinical presentations such as patient history, academic exercises involving solely student participation, assessments (quizzes, tests, exams), field trips, private conversations between students in the class or between a student and the faculty or lecturer during a class session.

Publication without permission of the instructor is prohibited. To “publish” means to share, transmit, circulate, distribute, or provide access to a recording, regardless of format or medium, to another person (or persons), including but not limited to another student within the same class section. Additionally, a recording, or transcript of a recording, is considered published if it is posted on or uploaded to, in whole or in part, any media platform, including but not limited to social media, book, magazine, newspaper, leaflet, or third party note/tutoring services. A student who publishes a recording without written consent may be subject to a civil cause of action instituted by a person injured by the publication and/or discipline under UF Regulation 4.040 Student Honor Code and Student Conduct Code.