

ECON3620 International Macroeconomics

Term 2, 2024-25

Instructor

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Teaching Assistants

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Lectures

Mon 12:30 – 13:15 ELB LT3
Thu 8:30 – 10:15 ELB LT3

Course Description

The main topics of this course are international financial markets, the determination of exchange rates, the relation between exchange rates and inflation, and monetary and fiscal policy under flexible and fixed exchange rates. This course gives students frameworks and analytical tools to think about these topics and apply them to the real world. It will also touch on a number of relevant current issues. Students should have knowledge of elementary differential calculus, and are advised to take ECON2011 and ECON2021 before taking this course.

Learning Outcomes

Upon successfully completing the course, students should be able to understand some simple causal relationships between international macroeconomic events and why some policies can or cannot be used to deal with some economic problems.

Honesty in Academic Work

Students must observe the University's policy on Honesty in Academic Work

<http://www.cuhk.edu.hk/policy/academichonesty/>

Readings

Krugman, P., Obstfeld M. and Melitz M. (2018). International Economics: Theory and Policy, Pearson, 11th edition. (KM)

Course Requirements

Students are expected to read the textbook chapters and lecture slides before class and attend all lectures. The instructor explains important concepts with examples for each topic. To help students get familiar with the materials, some practice questions are assigned for discussions after finishing each topic.

Assessment Scheme

Type of Assessment	Weighting	Description
Assignment	10%	Two assignments, equally weighted
Midterm Exam	40%	In-class midterm exam (Week 10)
Final Exam	50%	Centrally scheduled by the university

Syllabus

	Topic	Readings
1	National Income Accounting and the Balance of Payments	KM Ch.13
2	Exchange Rates and the Foreign Exchange Market: An Asset Approach	KM Ch.14
3	Money, Interest Rates, and Exchange Rates	KM Ch.15
4	Price Levels and the Exchange Rate in the Long Run	KM Ch.16
5	Output and the Exchange Rate in the Short Run	KM Ch.17
6	Fixed Exchange Rates and Foreign Exchange Intervention	KM Ch.18
7	International Monetary System: A Historical Overview	KM Ch.19
8	International Financial Crisis (tentative)	Notes