


ECON 4382 - International Finance Course Syllabus
Fall 2009

	Course	ECON-4382 International Finance
	Professor	Dr. Maria-Elena Labastida
	Term	Fall 2009
	Meetings	Tuesday and Thursday 5:30-6:45 p.m. at GR 2.302

Professor's Contact Information

Office Location	Green Hall - GR 2.512
Email Address	mlabasti@utdallas.edu or through eLearning.
Office Hours	By appointment. Please do feel free to email me to set an appointment if you have any questions or comments. I will be happy to meet with you.
Other Information	This class makes extensive use of eLearning for assignments, posting grades and resource materials. eLearning is accessible at https://elearning.utdallas.edu/webct/entryPage.dowebct . If you have difficulty see: http://www.utdallas.edu/oe/distance or call the help desk toll free 24 hours a day 7 days a week: 1-866-588-3192 .

General Course Information

Pre-requisites, Co-requisites	ECON 3311. Students should have a working knowledge of intermediate algebra and graphical techniques.
Course Description	This course introduces students to international finance and equips them with theory and applications to analyze international monetary issues. Topics include: the foreign exchange market, balance of payments, foreign exchange intervention, monetary and fiscal policy, economic integration and monetary unification, the international monetary system, optimum currency areas, the global capital market performance and policy problems, growth, crises and reform in developing countries. This course fulfills the University's writing requirement.
Learning Outcomes	After taking this class you should be able to use models/theories to explain policy issues in international finance. For example, you will be able to appraise currency crisis or being able to assess what is at stake when a certain country is deciding whether to join a currency union, such as the Euro-zone. From attending this class you will be capable to contrast different theories and judge them based on empirical data. Finally, you will learn how to carry out a research paper, a literature review and a short policy analysis paper by learning and applying critical thinking skills: "Critical thinking is the intellectually disciplined process of actively and skillfully conceptualizing, applying, analyzing, synthesizing, and/or evaluating information gathered from, or generated by, observation, experience, reflection, reasoning, or communication, as a guide to belief and action." (Source: Foundation for Critical Thinking).
Required Texts & Materials	1) Paul Krugman and Maurice Obstfeld (2009) "International Economics: Theory and Policy", 8th edition, NY: Pierson Addison Wesley. 2) Deirdre McCloskey (2000) "Economical Writing", 2nd edition, IL: Waveland Press.
Suggested Texts, Readings & Materials	1) Mark F. Dobeck and Euel Elliott (2007) "Money", Greenwood Guides to Business and Economics, CT: Greenwood Press. 2) Jeffrey W. Knopf (2006). "Doing a Literature Review". Political Science & Politics, 39, pp. 127-132. 3) Peter Facione (2007). "Critical Thinking: What it is and Why it Counts" Insight Assessment, California Academic Press.

	4) David F. De Rosa (2001) "In Defense of Free Capital Markets: The Case Against a New International Financial Architecture", NJ: Bloomberg Press Princeton. (Financial Policy and Cases studies: Europe, Mexico, the Southeast Asian currency crises, Singapore, Hong Kong, Brazil and Korea).
	5) Joseph Stiglitz (2003) "Globalization and Its Discontents", NY: Norton. (See specially chapters 4 & 8).
	6) Philip King and Sharmila King (2009) "International Economics, Globalization and Policy: A Reader", Fifth edition, NY: McGraw-Hill
	7) New York Times Articles posted on eLearning.
	8) Also, see "Suggested Readings and Sources" in the Appendix of this document.

Assignments & Academic Calendar (subject to changes!)

		PART I
		EXCHANGE RATES AND OPEN ECONOMY MACROECONOMICS
Month	Date(s)	Topic, Assignment, Due Date(s), Exam Date(s)
August	20	Introduction to the course and required assignments.
August	25 & 27	Required Readings: 1) Krugman and Obstfeld, Chapter 12 "National Income Accounting and the Balance of Payments" 2) McCloskey pages 1-32. Supplementary Readings: "Trade deficit set records" New York Times article. Posted on eLearning.
September	1, 3 & 8	Required Readings: 1) Krugman and Obstfeld, Chapter 13 "Exchange Rates and the Foreign Exchange Market: An asset Approach" 2) McCloskey pages 33-60 3) Knopf "Doing a Literature Review". 2) Facione "Critical Thinking: What it is and Why it Counts". Supplementary Readings: 1) "Exchange rates and the foreign exchange market" New York Times article. Posted on eLearning. 2) De Rosa, Chapter 1 "Financial Policy and the Cycle of Regulation".
September	10	Documentary Film: "Money as Debt"
September	15	Discussion and Introduction to Chapter 14 "Money, Interest Rates and Exchange Rates".
September	17 & 22	First Research Paper Draft Due: September 22 (From Chapters 12, 13 or 14) Required Readings: 1) Krugman and Obstfeld, Chapter 14 "Money, Interest Rates and Exchange Rates". 2) McCloskey pages 61-89. Supplementary Readings: 1) "Money, Interest Rates and Exchange Rates" New York Times article. Posted on eLearning. 2) De Rosa, Chapter 3 "Exploding Foreign Exchange Rates" read only pp. 55-75 (Skip the "European Exchange Rate Mechanism" and "The Mexican Peso Crisis 1994-1995".
September	24 & 29	Required Readings: 1) Krugman and Obstfeld, Chapter 15 "Price Levels and the Exchange Rate in the Long Run". Supplementary Readings: 1) "Price Levels and the Exchange Rate in the Long Run" New York Times article. Posted on eLearning.

October	1 & 6	Required Readings: 1) Krugman and Obstfeld, Chapter 16 “Output and the Exchange Rate in the Short Run”. Supplementary Readings: 1) “Output and the Exchange Rate in the Short Run” New York Times article. Posted on eLearning.
October	8	MIDTERM EXAM
October	13 & 15	First Research Paper Final Version Due: October 13 Required Readings: 1) Krugman and Obstfeld, Chapter 17 “Fixed Exchange Rates and Foreign Exchange Intervention”. Supplementary Readings: 1) “Fixed Exchange Rates and Foreign Exchange Intervention” New York Times article. Posted on eLearning. 2) De Rosa, Chapter 7 “Fast Fixes and Alternative Exchange Rates Regimes”.
October	20 & 22	I. Policy Analysis Paper and Presentation: October 22 Required Readings: 1) Krugman and Obstfeld, Chapter 18 “The International Monetary System, 1870-1973”. Supplementary Readings: 1) “The International Monetary System, 1870-1973” New York Times article. Posted on eLearning. 2) Stiglitz, Chapter 4 “How IMF policies brought the world to the verge of a global meltdown”.
October	27 & 29	II. Policy Analysis Paper and Presentation: October 29 Required Readings: 1) Krugman and Obstfeld, Chapter 19 “Macroeconomic Policy and Coordination Under Floating Exchange Rates”. Supplementary Readings: 1) “Macroeconomic Policy and Coordination Under Floating Exchange Rates” New York Times article. Posted on eLearning.
November	3 & 5	III. Policy Analysis Paper and Presentation: November 5 Required Readings: 1) Krugman and Obstfeld, Chapter 20 “Optimum Currency Areas and the European Experience”. Supplementary Readings: 1) “Optimum Currency Areas and the European Experience” New York Times article. Posted on eLearning. 2) De Rosa “The European Exchange Rate Mechanism Crises 1992-1993”, pp. 64-73.
November	10 & 12	IV. Policy Analysis Paper and Presentation: November 12 Required Readings: 1) Krugman and Obstfeld, Chapter 21 “The Global Capital Market: Performance and Policy Problems”. Supplementary Readings: 1) “The Global Capital Market: Performance and Policy Problems” New York Times article. Posted on eLearning.
November	17	Documentary Film: “The Commanding Heights: Developing Countries” Required Readings: 1) Krugman and Obstfeld, Chapter 22 “Developing Countries: Growth, Crisis and Reform”. Supplementary Readings: 1) “Developing Countries: Growth, Crisis and Reforms” New York Times article. Posted on eLearning. 2) De Rosa, Chapter 5 “Accounting for contagion” Case Studies: Singapore, Hong Kong, Brazil and Korea.
November	19	Documentary discussion and Chapter 22 “Developing Countries: Growth, Crisis and Reform” follow up.

November	24	V. Policy Analysis Paper and Presentation
November	26	No Class: Thanksgiving
December	1	VI. Policy Analysis Paper and Presentation
December	3	VII. Policy Analysis Paper and Presentation
December	15	Second Research Paper Due
Course & University Policies		
Grading (credit) Criteria	First Research Paper 20% (10% draft and 10% final version)	
	Second Research Paper 25%	
	Policy Analysis Paper (in group) 25% (10% presentation, 10% paper, 5% discussion engagement in the other groups' presentations).	
	Midterm Exam 10%	
	In-class writing assignments and Quizzes 10%	
	Participation in two documentary discussions 5% each	
Make-up Exams	N/A	
Extra Credit	Two pages essay on the Federal Reserve Bank.	
Late Work	If the paper assignment is not turned in by the due date: lose 50% from the weight of the assignment.	
Special Assignments	N/A	
Class Attendance	<p>Four good reasons to attend:</p> <p>1) It is in your benefit; you are paying for it! See "Do students go to class? should they?" by David Romer, <i>Journal of Economic Perspectives</i>, Vol. 7. No. 3, Summer, 1993, pp. 167-174. Posted on eLearning under the folder "Suggested Readings". 2) Class attendance is your responsibility. Whether or not you attend, you are responsible for all material delivered in class. This includes: deviations from the published text or eLearning power point notes or notification of changes regarding the material and syllabus. 3) Writing assignments' development will be extensively discussed during class. 4) There will be in-class assignments, quizzes and discussions. The in-class assignments and quizzes represent 10% of your final grade, discussions 10% and group presentations 5% of your group presentation. In sum, your class attendance is crucial.</p>	

<p>Classroom Citizenship</p>	<p>Please maintain class decorum and be respectful towards me and your fellow students in the class. If you have a doubt or misunderstanding regarding the course work, feel free to voice it in class. Everyone in class is here to learn and frequent tardiness, disturbances or disrespectful behavior toward others will not be tolerated. The use of cell phones, smartphones, ipods, PDAs, pocket PCs or the like, is only allowed for the classes in which we will be using twitter for discussions, otherwise, they are highly distracting. Please turn all electronic devices to their off (or silent) positions during class hours. The use of a laptop is allowed for the general audience for class purposes only. Surfing the internet and/or chatting is not allowed only because it could be distracting for other students that are really interested in the lecture. Any classroom participant violating classroom citizenship will be asked to leave the classroom and depending on the severity of the offense may be subject to referral to the appropriate university officials.</p>
<p>Field Trip Policies Off-Campus Instruction and Course Activities</p>	<p>Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean.</p>
<p>Technical Support</p>	<p>If you experience any problems with your UTD account you may send an email to: assist@utdallas.edu or call the UTD Computer Helpdesk at 972 883-2911.</p>
<p>Student Conduct & Discipline</p>	<p>The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD printed publication, A to Z Guide, which is provided to all registered students each academic year.</p> <p>The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the Rules and Regulations, Series 50000, Board of Regents, The University of Texas System, and in Title V, Rules on Student Services and Activities of the university's Handbook of Operating Procedures. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391) and online at http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-HOPV.html</p>

	<p>A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.</p>
Academic Integrity	<p>The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.</p> <p>Scholastic Dishonesty, any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.</p> <p>Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.</p>
Copyright Notice	<p>The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials, including music and software. Copying, displaying, reproducing, or distributing copyrighted works may infringe the copyright owner's rights and such infringement is subject to appropriate disciplinary action as well as criminal penalties provided by federal law. Usage of such material is only appropriate when that usage constitutes "fair use" under the Copyright Act. As a UT Dallas student, you are required to follow the institution's copyright policy (Policy Memorandum 84-I.3-46). For more information about the fair use exemption, see http://www.utsystem.edu/ogc/intellectualproperty/copypol2.htm</p>

<p>Email Use</p>	<p>The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.</p>
<p>Withdrawal from Class</p>	<p>The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled</p>
<p>Student Grievance Procedures</p>	<p>Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's <i>Handbook of Operating Procedures</i>.</p> <p>In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.</p> <p>Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations</p>

Incomplete Grades	<p>As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.</p>
Disability Services	<p>The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.</p> <p>The contact information for the Office of Disability Services is: The University of Texas at Dallas, SU 22 PO Box 830688 Richardson, Texas 75083-0688 (972)883-2098 (voice or TTY) disabilityservice@utdallas.edu</p> <p>If you anticipate issues related to the format or requirements of this course, please meet with the Coordinator of Disability Services. The Coordinator is available to discuss ways to ensure your full participation in the course. If you determine that formal, disability-related accommodations are necessary, it is very important that you be registered with Disability Services to notify them of your eligibility for reasonable accommodations. Disability Services can then plan how best to coordinate your accommodations.</p> <p>It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.</p>
	<p>The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.</p>

Religious Holy Days

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

These descriptions and timelines are subject to change at the discretion of the Professor