

Assignments:

I. Foreign Exchange Markets
   A. Introduction (R-1, L-1 and 4)
   B. Traders' Behavior (L-5, L-11 to 14 optional)
   C. Arbitrage (R-1A, 1B)
   D. Speculation (L-15 optional)

II. Intervention in Exchange Markets
   A. Flexible and Floating Systems (R-2, 2B)
   B. Exchange Control (R-2A, pp. 64-66)
   C. Gold Standard (R-2A, pp. 67-71, L-1, pp. 8-10)

III. The Balance of Payments (R-2C, L-6, pp. 89-96)

IV. Evaluating Exchange Rate Variability and Stability (R-3)
   A. Who Gains and Loses
   B. Costs and Benefits
   C. The Flexible Rate Experience
   D. Costs of Fixed Rates
   E. Static Stability with Adjustment (R-4A, L-6, pp. 96-115)

V. Effects of the Domestic Economy on the Exchange Market (R-4)
   A. Prices (L-7)
   B. Income
   C. Interest Rates and Capital Flows
   D. Recent U.S. Experience
   E. The Monetary Approach (L-8)

VI. Effects of Exchange Rate Changes on the Domestic Economy (R-5)

VII. Global Macroeconomics (R-6)

VIII. From Fixed Rates to Flexible Rates (R-7, L-2, 3)

IX. Eurocurrency Markets (R-7A, L-9)

Exams:

2 Hourly Exams 30% each
   February 23rd (over I, II)
   April 17th (over III, IV and V)

NO MAKE-UPS for missed exams. Pre-excused absences are possible for 1 exam only. In these cases the Final counts 2/3. All others receive IF automatically.

1 comprehensive Final - 40% (Probably May 16th, 7:30 pm)
Final must be taken at scheduled time.