The text for this course is F. Rivera-Batiz and L. Rivera-Batiz (RB), International Finance and Open Economy Macroeconomics, Macmillan, 1985. Other books that you may find helpful include (purchase of these is strictly optional):

- R. Dornbusch, Open Economy Macroeconomics, 1980 (recommended strongly for those with a serious interest in international economics).
- J.D. Richardson, Understanding International Economics, 1981.

The prerequisite for the course is Economics 408 (or its equivalent), intermediate macro theory. I will assume you are reasonably familiar with that material.

I have put two extra readings on the syllabus below. These readings will be on reserve at Norlin Library and in a coursepack at Kinko's. Unless otherwise noted in class they will constitute fair game for inclusion on the examinations.

SUBJECT READINGS

1. Introduction RB, Introduction
2. The Foreign Exchange Market RB, Ch. 1
   Reading: K.A. Chrystal, "A Guide to Foreign Exchange Markets"
3. Interest Parity and Market Efficiency; Euromarkets RB, Chs. 2, 3
4. Balance of Payments: Concepts and Accounting RB, Ch. 4
5. The Keynesian Open Economy and Foreign Trade Multiplier RB, Ch. 5
   HOUR EXAM 1 30%
6. Money and Asset Markets; Capital Mobility RB, Chs. 6, 7
7. The Monetary Approach to the Balance of Payments RB, Ch. 14
8. Exchange Rate Determination RB, chs. 8, 9, 15
   HOUR EXAM 2 30%
9. Economic Policy in the Open Economy RB, Ch. 10, 11, 12, 13
10. The International Monetary System RB, Ch. 16, 17

FINAL EXAM WEDNESDAY, MAY 21, 11:30 AM-2:30 PM 40%

NO MAKEUPS FOR MISSED EXAMS. Pre-excused absences are possible for one hour exam only; in such cases the Final counts 60% and the other hourly counts 40%.