UNIVERSITY OF COLORADO – DEPARTMENT OF ECONOMICS
ECON 4423 INTERNATIONAL FINANCE – FALL 2020

Instructor: Martin Boileau
Class Time: MWF 10:20 to 11:10, Remote
Office Hours: Monday and Tuesday 4:00 to 5:00 or by appointment, Remote
Office: Economics 215
Email: Martin.Boileau@Colorado.EDU

COURSE DESCRIPTION

This course reviews selected topics from both international finance and open-economy macroeconomics. From international finance, we will discuss international financial markets and their operations. From open-economy macroeconomics, we will discuss macroeconomic policies and their implications. Obviously, most of our time will be devoted to further our understanding of ``exchange rates.''

Here are some stylized facts:
1. Real and nominal exchange rates are highly correlated.
2. Changes in both real and nominal exchange rates are persistent.
3. Forward exchange rates are poor and biased predictors of future spot exchange rates.
4. International differences in interest rates are large and persistent.
5. Portfolios are not internationally diversified.
6. The extent of international consumption risk-sharing is less than expected.
7. Savings and investment are highly correlated.
8. The trade balance and the current account are countercyclical.
9. Business cycles are correlated across countries.

EVALUATION

The assessment for this class consists of assignments, tests, a final examination, and participation (using iClicker).
1. *Assignments:* There will be 4 assignments. The assignments will require either numerical or graphical answers. The assignments will have to be scanned and uploaded to the course's Canvas page before class on the due date.
2. *Tests:* There will be 3 multiple choice tests (or quizzes). The tests will have to be taken online during class time.
3. *Final:* There will a final examination. The date and format remain to be determined.

4. *Participation:* Participation for the class will be evaluated by answering clicker questions. As this is a remote class, you will need to obtain an iClicker Reef account. Please consult: https://oit.colorado.edu/services/learning-spaces-technology/cuclickers

The schedule and grade distribution is

Evaluation	Due Date	Grade (%)
Assignments		16
1	September 16	4
2	October 14	4
3	November 11	4
4	December 4	4
Tests		50
1	September 18	16.67
2	October 16	16.67
3	November 13	16.67
Final	To be determined	30
Participation	iClicker	4
Total:		100

Students who may need academic accommodations should discuss options with the professor no later than 10 September.

REQUIRED TEXT
Feenstra, R., and A. Taylor (2012) *International Macroeconomics*, Second Edition, New York: Worth Publishers

INTERMEDIATE MACRO TEXT
Jones, C., (2011) *Macroeconomics*, Second Edition, New York: W.W. Norton and Co.

Or similar.

ADVANCED TEXT
Obstfeld, M., and K. Rogoff (1996) *Foundations of International Macroeconomics*, Cambridge: The MIT Press.

DELIVERY
The class will be taught online synchronously via Zoom (information will be emailed separately). All the material will be accessible on the course's Canvas page.

COURSE OUTLINE

Part 1: Introduction to International Finance

1. Introduction
   - Feenstra and Taylor: Chapter 1.

Part 2: Exchange Rates

2. The Foreign Exchange Market
   - Feenstra and Taylor: Chapter 2.

3. The Monetary Approach in the Long Run
   - Feenstra and Taylor: Chapter 3.

4. The Asset Approach in the Short Run
   - Feenstra and Taylor: Chapter 4.

Part 3: The Balance of Payments

5. Income, Wealth, and the Balance of Payments
   - Feenstra and Taylor: Chapter 5.
   - Prereq: Jones Chapter 2.

6. Output, Exchange Rates, and Macroeconomic Policies in the Short Run
   - Feenstra and Taylor: Chapter 7.
   - Prereq: Jones Chapters 11 and 12.

7. The Gains from Financial Globalization
   - Feenstra and Taylor: Chapter 6.
   - Prereq: Jones Chapters 15 and 16.

Part 4: Policy Issues

8. Fixed versus Floating and Exchange Rate Crisis
   - Feenstra and Taylor: Chapters 8 and 9.

CAMPUS SYLLABUS STATEMENTS

Classroom Behavior

Both students and faculty are responsible for maintaining an appropriate learning environment in all instructional settings, whether in person, remote or online. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. For more information, see the policies on classroom behavior and the Student Code of Conduct.

Requirements for COVID-19

As a matter of public health and safety due to the pandemic, all members of the CU Boulder community and all visitors to campus must follow university, department and building requirements, and public health orders in place to reduce the risk of spreading infectious disease. Required safety measures at CU Boulder relevant to the classroom setting include:

- maintain 6-foot distancing when possible,

- wear a face covering in public indoor spaces and outdoors while on campus consistent with state and county health orders,

- clean local work area,

- practice hand hygiene,

- follow public health orders, and

- if sick and you live off campus, do not come onto campus (unless instructed by a CU Healthcare professional), or if you live on-campus, please alert CU Boulder Medical Services.

Students who fail to adhere to these requirements will be asked to leave class, and students who do not leave class when asked or who refuse to comply with these requirements will be referred to Student Conduct and Conflict Resolution. For more information, see the policies on COVID-19 Health and Safety and classroom behavior and the Student Code of Conduct. If you require accommodation because a disability prevents you from fulfilling these safety measures, please see the "Accommodation for Disabilities" statement on this syllabus.

Before returning to campus, all students must complete the COVID-19 Student Health and Expectations Course. Before coming on to campus each day, all students are required to complete a Daily Health Form.

Students who have tested positive for COVID-19, have symptoms of COVID-19, or have had close contact with someone who has tested positive for or had symptoms of COVID-19 must stay home and complete the [Health Questionnaire and Illness Reporting Form](#) remotely. In this class, if you are sick or quarantined, please contact me directly.

Accommodation for Disabilities

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the [Disability Services website](#). Contact Disability Services at 303-492-8671 or [dsinfo@colorado.edu](#) for further assistance. If you have a temporary medical condition, see [Temporary Medical Conditions](#) on the Disability Services website.

Preferred Student Names and Pronouns

CU Boulder recognizes that students' legal information doesn't always align with how they identify. Students may update their preferred names and pronouns via the student portal; those preferred names and pronouns are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name.

Honor Code

All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the Honor Code. Violations of the policy may include: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, submitting the same or similar work in more than one course without permission from all course instructors involved, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code ([honor@colorado.edu](#); 303-492-5550). Students found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code as well as academic sanctions from the faculty member. Additional information regarding the Honor Code academic integrity policy can be found at the [Honor Code Office website](#).

Sexual Misconduct, Discrimination, Harassment and/or Related Retaliation

The University of Colorado Boulder (CU Boulder) is committed to fostering an inclusive and welcoming learning, working, and living environment. CU Boulder will not tolerate acts of sexual misconduct (harassment, exploitation, and assault), intimate partner violence (dating or domestic violence), stalking, or protected-class discrimination or harassment by members of our community. Individuals who believe they have been subject to misconduct or retaliatory actions for reporting a concern should contact the Office of Institutional Equity and Compliance

(OIEC) at 303-492-2127 or cureport@colorado.edu. Information about the OIEC, university policies, [anonymous reporting](#), and the campus resources can be found on the [OIEC website](#).

Please know that faculty and instructors have a responsibility to inform OIEC when made aware of incidents of sexual misconduct, dating and domestic violence, stalking, discrimination, harassment and/or related retaliation, to ensure that individuals impacted receive information about options for reporting and support resources.

Religious Holidays

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance.

See the [campus policy regarding religious observances](#) for full details.