

Globalization and Capital Markets

Econ 442 BL01 - Spring 2015
University of Maryland

1 Course Information

Professor: Sebnem Kalemli-Ozcan

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Office Hours: By appointment

In-Class Time: Tuesday 11:00 AM - 12:15 AM

Online Homework Time: Thursday 11:00 AM - 12:15 AM schedule

Location: TYD 1118

2 Course Description

This course builds on intermediate macroeconomics to cover international aspects of an open economy. Some of the key macroeconomic variables studied in this course are the exchange rate and the international capital flows. We will also study the net gains of financial liberalization and the nature of currency crises. From a practical perspective, students will continuously apply their knowledge during the semester tracking the macro/international performance of a foreign country.

3 Readings

The textbook is “ [International Macroeconomics](#) ” by Robert C. Feenstra and Alan M. Taylor, published by Worth Macmillan, 3rd edition. Chapters for each topic are indicated below. You can opt to have an electronic copy of the book.

4 Rules

- **A doctor's note is necessary for health related absences to any midterm.** See <http://www.umd.edu/catalog/index.cfm/show/content.chapter/c/27> for general policies. If you are unable to attend class for more than two Tuesday classes due to illness or other valid excuses, you must contact me by email to explain. You will not be allowed an exam make-up because of absences earlier in the semester unless you have informed me IN ADVANCE of your situation.
- **Graphing calculators are not allowed during evaluations.** Please provide yourself with a scientific non graphing calculator as soon as possible; there will be no exceptions on this matter. No books or notes are permitted during the evaluations.
- **You can ask for regrading of exams only if you wrote your answers in pen.** A regrading request must be well written using your favorite word processing software and fully justified. After one week of receiving your graded test back, no regrading requests will be accepted.
- **Attendance and participation will not be directly counted** in the grade but might have an effect on borderline grades. If you are silent most of class time and do not demonstrate that you are trying, I can't help you learn.

5 Course Requirements

- **Midterm Exam (30% total):** The midterm exam will cover all topics discussed until the class before the exam. The midterm will be on March the 8th at 11:00 AM in our lecture classroom. If a student has an excused absence, the portion of the grade relative to the missed exam will be reallocated to the final. There is no make-up.
- **Final Exam (40%):** The final exam will cover all topics discussed in class. The final will be Thursday, May 12, from 8 to 10 AM, most likely in our lecture classroom.
- **Homeworks (30%):** There will be a homework assignment every week that you can work on during the online Thursday class time and as your

schedules allows. The assignment will be given on every Tuesday and will be due the next Tuesday. You can email me during this one week time. No late work will be admitted. There will be no regrading for the homeworks. Homeworks must be submitted in class every Tuesday at the beginning of the class in the first 15 minutes otherwise you will get a zero. Group work is allowed but every student needs to write and submit their own homework.

- **Country Monitoring:** Each student will pick one country and monitor its economy during the semester. Every homework has a section where the student will summarize his/her research. You should be checking the Economist (<http://www.economist.com>), The Financial Times (<http://www.ft.com/home/us>), The Wall Street Journal (<http://www.wsj.com/>), along with other country specific reports.

6 Additional Important Notes

- **Special needs/arrangements:** Reasonable accommodation will be made for those with special needs. Anyone eligible for special arrangements on examinations must make sure I get a notification from the appropriate UMD office, ASAP. Please contact Disability Support Service (DSS) <http://www.counseling.umd.edu/DSS/> and make sure all the necessary administrative steps are taken in your case. You must also send an email to me no later than seven days prior the evaluation so that necessary arrangements are made.
- **Tutoring:** If you need tutoring for this class, please check the availability of tutors at <https://www.econ.umd.edu/resources/tutoring>
- **Dropping and Withdrawing:** To see the relevant deadlines visit: <http://www.umd.edu/catalog/index.cfm/show/content.section/c/27/ss/1586/s/1522>.
- **Concerns, Suggestions and Doubts:** The best way to contact me is by email to arrange a meeting.

7 Course Outline and Important Dates

1. The Global Macroeconomy (Chapter 1)

2. Introduction to Exchange Rates and the Foreign Exchange Market (Chapter 2)
 - Classes: February, Tuesday the 2nd, February, Tuesday the 9th.
 - Homework 1 due: February, Tuesday the 9th
 - Homework 2 due: February, Tuesday the 16th
3. Exchange Rates I: The Monetary Approach in the Long Run (Chapter 3)
 - Classes: February, Tuesday the 16th, February, Tuesday the 23rd
 - Homework 3 due: February, Tuesday the 23rd
 - Homework 4 due: March, Tuesday the 1st
4. **Mid-Term Reviews**, March, Tuesday the 1st; Thursday the 3rd
5. Exchange Rates I: The Asset Approach in the Short Run (Chapter 4)
 - Classes: March, Tuesday the 22nd, March Tuesday the 29th
 - Homework 5 due: March, Tuesday the 29th
 - Homework 6 due: April, Tuesday the 5th
6. National and International Accounts: Income, Wealth, and the Balance of Payments (Chapter 5)
 - Class: April, Tuesday the 5th
 - Homework 7 due: April, Tuesday the 12th
7. Balance of Payments I: The Gains from Financial Globalization (Chapter 6)
 - Class: April, Tuesday the 12th
 - Homework 8 due: April, Tuesday the 19th
8. Balance of Payments II: Output, Exchange Rates, and Macroeconomic Policies in the Short Run. (Chapter 7)

- Classes: April, Tuesday the 19th, April, Tuesday the 26th.
 - Homework 9 due: April, Tuesday the 26th
 - Homework 10 due: May, Tuesday the 3rd
9. Fixed Versus Floating: International Monetary Experience. (Chapter 8)
- Class: May, Tuesday the 3rd
10. **Final Reviews:** May, Thursday the 5th (room to be determined);
May, Tuesday the 10th