The course will be taught entirely online. Students will be asked to take quizzes and watch some material asynchronously as well as attend synchronous lectures.

Where to find readings:


2) Items denoted with **(WEB)** can be found in the "Readings from Web" section of Canvas.

3) Items denoted with **(LIB)** can be found in the "Readings from Library" section of Canvas.

4) The case study “Reducing Inflation in Argentina: Mission Impossible?”, a CBS case by Alvarez and Zeldes, is referred to as **(ARG)**

5) Quizzes, Homeworks, Midterm Exam, and Final Exam can be found in the appropriate sections of Canvas.

The content for most weeks will be divided into two parts. This will be the case both for the asynchronous recordings and also for the synchronous lectures. For clarity, the readings and information for these two parts for each week is listed on a separate page of this syllabus.

The information contained in this document is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of the Booth faculty member(s) teaching the course.
Week 1

Part 1: Overview / Course Outline and Administrative Briefing

Part 2: The Exchange Rate as an Asset Price

1. **KOM:** Chapter 14, "Exchange Rates and the Foreign Exchange Market: An Asset Approach."

2. **KOM:** Appendix to Chapter 14, “Forward Exchange Rates and Covered Interest Parity.”
Week 2

- Quiz 1: Taken and submitted via canvas before Week 2 class

Part 1: UIP and Carry Trades in Practice

1. LIB: Bansal, Ravi and Dahlquist, Magnus, 2000. "The Forward Premium Puzzle: Different Tales from Developed and Emerging Economies," *Journal of International Economics*. (Note: You need only read to section 2.3.3 in the paper.)


Part 2: Long-run Determination of Exchange Rates

1. KOM: Chapter 16, "Price Levels and the Exchange Rate in the Long Run." (Note: You need only read up to page 435 in 10th Edition and page 443 in 11th Edition.)


Week 3

- Homework 1: Completed and submitted via Canvas before Week 3 class
- Quiz 2: Taken and submitted via Canvas before Week 3 class

Part 1: Exchange Rates and Exchange Rate Risk: The Manager's Perspective


Part 2: The Importance of Real Exchange Rates


Week 4

- Homework 2: Completed and submitted via Canvas before Week 4 class
- Homework 3: Make sure to read and plan attack, though not due until Week 8 class
- Quiz 3: Taken and submitted via canvas before Week 4 class

Part 1: Intervention in Currency Markets

1. **KOM:** Chapter 15, “Money, Interest Rates, and Exchange Rates.”
2. **KOM:** Chapter 18, "Fixed Exchange Rates and Foreign Exchange Intervention."
3. **KOM:** Chapter 19, "International Monetary Systems: An Historical Overview."

Part 2: Speculative Attacks and Financial Contagion


Part 3: Midterm Details and Review
Week 5

• Quiz 4: Taken and submitted via canvas before Week 5 class

Part 1: Midterm Review

Part 2 [Optional Material]: The IMF and World Bank, Then and Now
Week 6

- Midterm Exam: Taken and submitted via Canvas before Week 6 class

Part 1: Exchange Rates and Macro: Theory


Part 2: Exchange Rates and Macro: Applications


2. **ARG**: “Reducing Inflation in Argentina: Mission Impossible?”, a Columbia Business School case by Alvarez and Zeldes

Three to read in the following order:


Week 7

- Quiz 5: Taken and submitted via Canvas before Week 7 class

Part 1: Optimal Currency Areas

1. **KOM**: Chapter 21, "Optimum Currency Areas and the Euro."


Part 2: The Euro Crisis


Week 8

- Homework 3: Completed and submitted via Canvas before Week 8 class
- Quiz 6: Taken and submitted via Canvas before Week 8 class

Part 1: The Current Account

1. **KOM:** Chapter 13, "National Income Accounting and the Balance of Payments."

Part 2: The U.S. Current Account Deficit and Sustainability


Week 9

Quiz 7: Taken and submitted via Canvas before Week 9 class

Guest Lecture: Please read below for important logistical changes this week

Part 1: The Renminbi and China's Balance of Payments

This lecture will be given by Andrew Tilton, Goldman Sachs’ Chief Asia Economist. He will present “live” via Zoom, including Q&A, during 6-7:30pm in Tuesday night’s section. All students across the three sections will be invited with a Zoom link that differs from that of Part 2. For those that cannot attend, the recording will be made available.

Part 2: Special Topics on External Imbalances

I will start the lecture in the Tuesday afternoon and Saturday morning sections with Part 2.
