



Business 33502: International Financial Policy

Brent Neiman

Course Information, Fall 2021

Contact Information:

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Course Overview:

This is a course on open-economy macroeconomics. We will cover theories of exchange rate determination and how well they match the data, the role of exchange rates in the macroeconomy and the implications for businesses, the choice of exchange rate regime including monetary unions like the euro area, international borrowing/lending and the sustainability of current account deficits, financial crises, fiscal and monetary policy in an open economy, and much more. Please see the course syllabus for specifics.

Formats for the Three Sections:

The morning and afternoon sections of this course will be taught in-person only. The evening section will have in-person as well as virtual attendees participating remotely (i.e. dual modality). Please note, however, that the public health situation may require us to switch to fully remote instruction during the quarter. No bid point refunds will be awarded in these instances.

While I understand there will be occasional exceptions, I ask that remote attendees during the evening sessions have their videos “on” during my lectures and use the Booth-generated plain gray virtual backgrounds with their names (and pronouns, if desired) on it. *If you will be attending via Zoom, please obtain these virtual backgrounds at:*

<https://appcenter.chicagobooth.edu/PublicApps/ZoomNames/> before the first lecture.

Given the public health situation and the need to carefully monitor density, you unfortunately cannot attend sections different from the one you are enrolled in.

Office Hours:

You should first contact the TA for all administrative questions, including on grading, and should feel free to bring the TA questions about the material. To schedule online or in-person office hours with Aleks, email him in advance to arrange a time/place. You are likely to get the most help if you email the topic you’d like to review. Office hours are not designed to replace attendance. You should feel comfortable asking Aleks for up to 30 minutes of help, once every couple of weeks.

If you prefer to discuss course material with me, I am also available to meet with students in 15-minute blocks. Please email in advance to reserve a block.

Prerequisites and Enrollment:

The course assumes familiarity with macroeconomics (Bus33040 or equivalent), but this is not a strict prerequisite. You will not be allowed to audit the course or to take it pass/fail.

Textbook and Readings

We will broadly follow the textbook by Krugman, Obstfeld, & Melitz, *International Economics: Theory and Policy*, 11th edition. This version is a bit unusual in that it is generally for rent and use as an ebook (and might be expensive as a hardcover). *If you prefer to use the 9th or 10th editions (in print), that will be absolutely fine too.*

I will attempt to make all additional readings available directly through links on Canvas. You are expected to do all required readings and are responsible for this material in quizzes and exams. You may choose whether to do the required readings before or after class.

Each week I will send an email, posted also under announcements, previewing key issues for the upcoming class and directing you to relevant current events and articles.

Lecture notes, readings, practice questions, and announcements will be posted on Canvas for the course in advance of class. If you like taking notes on printed materials, please print them out yourselves each week. Since the slides change over time, you should not print the whole quarter's materials at once.

Homework Assignments:

- There will be 3 assignments that can be done in groups of no more than 3 people, and all group members must be in the same section. You may also work alone.
- Prior to submitting assignment 1, please self-enroll via Canvas in groups (this is NOT necessary if you are working alone). If you have any difficulties, or if you'd like to subsequently change groups, please email the TA or canvas@chicagobooth.edu.
- Assignments should be submitted digitally through Canvas. Late assignments are accepted with a steep penalty that increases with each late day. After a couple of days, I will not accept further assignments and a grade of zero will be given.
- Occasionally, submitted assignments do not make it to us due to problems with Canvas or other errors. In such cases, we will email you within 2 days of the homework's due date and expect you to respond within 1 day with your solutions attached. If more than one day passes and we have no response, the assignment will earn a grade of zero. (Therefore, if you know you will be offline, be sure to make arrangements with your group-mates or email the TA with the attachment for robustness.)

Quizzes:

- There will be 6 short quizzes to be taken during the first 10-15 minutes of classes during weeks 2-5 and 7-9. Remote attendees will take the quiz online during these same minutes. The quizzes will cover the material taught before and including the previous class.
- Quizzes are closed book but you may use a calculator.

Midterm and Final Exams:

- There will be a 2-hour optional midterm examination administered during week 5, with remote attendees taking it online at the same time as the in-class students.
- A 2-hour (required) final exam will be given during finals week and will cover the entire course.

Grading:

- The following weights are used to calculate your final grade:
 - Quizzes: 25 percent
 - Assignments: 15 percent
 - Midterm: 20 percent
 - Final: 30 percent
 - Professionalism: 10 percent

If you opt out of taking the midterm, I'll increase the weights on quizzes and on the final by 10 points each. When averaging across quizzes, assignments, midterm, and final, I will not adjust for differences in the means and variances of the different elements.

- The most likely case is that all of you will earn full credit for the professionalism portion of the grade, which would only be deducted in rare circumstances.

Makeups:

There is no makeup for missed quizzes and exams. If for a valid reason (e.g. family emergency, birth of a child, etc.) you cannot take the final and the Dean's office verifies the situation, I will make arrangements for a makeup during a different week. There are very few circumstances that could be known in advance that would qualify, but be sure to contact me as soon as possible should a situation arise. If you do not take the final and do not have a valid reason (as defined above), you will fail the class.

Provisional Grades:

I will give provisional grades, but only to students whose grades I judge to be significantly above the passing threshold at the time the provisional grades are requested.

Re-Grades:

Requests for re-grades will be considered for one week after the grade is given to you. All requests for re-grades must be made in an email to the TA, CCing me, and must include an explanation of why the original grade is not justified. Please be aware that your points and grade could go down during the re-grading process. If after interacting with the TA, you still are unhappy with the result, please feel free to reach out directly to me.

Class Participation

There is no explicit participation grade, but your thoughtful comments, questions, and discussion are greatly appreciated and encouraged. Please speak up!

Honor Code

Students in my class are required to adhere to the standards of conduct in the Booth School Honor Code and the Booth School Standards of Scholarship. *Each student should do all quizzes and exams entirely on their own, including students taking them remotely.*

Accommodations

The University of Chicago is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, please contact Student Disability Services as soon as possible. To receive a reasonable accommodation, you must be appropriately registered with Student Disability Services. Please contact the office at 773-702-6000 or disabilities@uchicago.edu, or visit the website at disabilities.uchicago.edu. Student Disability Services is located at 5501 S. Ellis Avenue.

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