

# SYLLABUS - LOGISTICS

## Economics 17110

International Monetary Systems  
Winter Quarter 2023



### Prerequisites

Any one of Econ 10200/19900/20200/20210. **This course is writing intensive.**

### Measured Learning Objectives


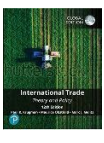


- *Identify* various economic concepts in international monetary systems and their applications.
- *Construct* the appropriate economic representation when provided with an example scenario.
- *Solve* the economic representation of a problem under different specifications or scenarios.
- *Synthesize* solutions with economic knowledge to extrapolate the implications for economic agents.
- *Discuss* the implications of various policies or policy changes in international markets.

### Course Description

*Department Website:* This course studies the principles of monetary policy across international markets, global banking markets, and optimum currency areas and their impact on and from business cycles and economic development. Students will be introduced to simplified theoretical models with which to analyze data, relevant empirical findings, and policy decisions. Practice is provided in understanding recent international economic events and current policy topics.

### Textbooks

I write the topic summaries and practice problems for each class meeting: those are posted to Canvas, along with the class slides. The topic summaries list the relevant chapters to augment or provide details for topics from class using the abbreviations below for each textbook. I do not assign mandatory homework or readings from any textbook. However, there may be mandatory topical readings assigned for homework which will be posted on Canvas and do not need to be purchased.

	(F) Feensta, Robert and Taylor, Alan. <u>International Economics</u> . Any edition. The level of this textbook is slightly too low for this course.
	(K) Krugman, Obstfeld, Melitz. <u>International Economics: Theory &amp; Policy</u> . Any edition. The level of this textbook is slightly too low for this course.
	(SG) Stephanie Schmitt-Grohé, Martín Uribe, and Michael Woodford. <u>International Macroeconomics: A Modern Approach</u> . The level of this textbook is too high for this course.
	(TR) Topical Readings. Articles or news stories that integrate the course content with current events or context. These will be distributed on Canvas or referenced in homework if they are required reading.

### Econ 17110 SCHEDULE

	CLASS / Discussion	Professor \\ Meeting Availability //	Teaching Assistant	Department Advising Hours
MO	4:30-5:50pm (Stuart 102)	-	-	10am-Noon SHFE 428
TU		1pm-3pm SHFE 428	-	-
WE	4:30-5:50pm (Stuart 102)	10am- Noon Zoom: Schedule through Canvas	12:30 – 2:30pm In front of SHFE 141 (by the couches)	-
TH	7:30-8:20pm (Kersten 120)	-	-	-
FR		-	-	-
	Hosted by:	<b>Dr. G.C. Pieters</b>	<b>Hanbin Kim</b>	<b>Dr. G.C. Pieters at above time</b>
	preferred salutation	Dr. Pieters//Prof. Pieters she/her	Hanbin she/her	Advising hours for all lecturers and instructional professors are posted on the door of SHFE 428.
	Email	gcpieters@uchicago.edu	hanbin803@uchicago.edu	

## STRUCTURE

In most classes, I will show relevant theory with an application to a real-world situation. Each class meeting introduces a “Quick Response Exercise” (QRE): an economic question to be discussed in groups with analysis ultimately shared with the entire class. Discussion sections revisit mathematical techniques and problems from class and introduce or revisit sample problems closely related to the homework. Discussion section material is selected and designed by the TA.

Homework questions are not a regurgitation of in-class examples. I design the homework assignment to evaluate whether you comprehend the material sufficiently to: (1) understand the question, and (2) complete the economic analysis of that question. The expectation is the same for quiz questions as you must understand the material, not simply memorize definitions or techniques. In addition to class attendance, I assume you will work the provided practice problems, attend the discussion sections, and visit class hours or post on the Discussion board as needed.

## GRADES CALCULATION

### Aggregate Individual Score, $AIS_i$

Your *aggregated individual score* ( $AIS_i$ ) will not be rounded and is calculated from the combination of the four graded components of this class: (1) homework, (2) Quick Response Exercises (QREs), (3) tests, and (4) policy reports.

- Each homework assignment is worth at least 5 points, but usually more. All your homework scores are added together for a *Homework Component* that cannot exceed 20 points.
- Each QRE is worth 1 point. All your QRE scores are added together for a *QRE Component* that cannot exceed 10 points.
- Each policy report is worth 20 points. Your *Reports Component* is out of 60 points and is the sum of your three highest policy reports.
- Each test is worth 90 points. The *Test Component* is your highest test score.

$$AIS_i(180) = \text{Homework Component (20)} + \text{QRE Component (10)} + \text{Reports Component (60)} + \text{Test Component (90)}$$

	D	D+	C-	C	C+	B-	B	B+	A-	A
<u>Default</u>										
Fixed (% out of 180)	108 60%	119 66%	122.5 68%	126 70%	137 76%	140.5 78%	144 80%	154.5 86%	158.5 88%	162 90%
<u>Course Curves (cutoff used if lower than “Default”)</u>										
Curve 1: Distribution $\mu = \text{Average } S_i$ $\sigma = \text{Std. Dev.}$	$\mu - \frac{3}{2}\sigma$	$\mu - \frac{5}{4}\sigma$	$\mu - \sigma$	$\mu - \frac{3}{4}\sigma$	$\mu - \frac{1}{4}\sigma$	$\mu$	$\mu + \frac{1}{4}\sigma$	$\mu + \frac{3}{4}\sigma$	$\mu + \sigma$	$\mu + \frac{5}{4}\sigma$
Curve 2: Share of Grades	C-: $S_i$ of the top 75 <sup>th</sup>			B-: Median $S_i$ (50 <sup>th</sup> percentile)			A-: $S_i$ of the top 25 <sup>th</sup>			

### Grade Cutoffs

You will receive the highest letter grade for which your *aggregated individual score*,  $AIS_i$ , exceeds the grade cutoff score:  $AIS_i \geq C_g$ . If the entire class demonstrates mastery of the material (all scores are higher than the cutoff for an A grade), the entire class gets an A: there is no grade rationing— you are not in a grade competition with other students in this class. I will not certify your understanding as mastery (an A grade) if it is not deserved.

The highest  $AIS_i$  you need to **guarantee** a grade is given by the “Fixed” cutoff (If you have 80% you will receive no less than a B). I “curve the class” using one of the two curved cutoffs only if the cutoff is lower than the fixed cutoff. I *will never increase the cutoff above the fixed value*. A “Pass” for a Pass/Fail grade is a D. You must earn a quality (letter) grade of a C- or higher for the course to count towards any track of the Economics major.

### Other Grading Notes

- All your grades and graded work will be available on Gradescope. I will not post scores to Canvas because it cannot calculate grades correctly.
- The class average on assessments may vary greatly from assignment to assignment. Individual assessments will not be curved.
- **No “Individual-Only” Extra Credit or “Grade Nudges”**. There will be NO additional grade assistance unless offered to the entire class. I ignore (and find insulting) all emails that ask for bonus assignments or a “grade nudge”. **Everyone has equal opportunity to earn an A grade or to avoid an F**. Grades will not be adjusted to reflect the hours you report working on the course material, your effort, your class participation, your office hours or discussion section attendance, your financial aid status, etc. Your grades reflect only your understanding of the material as evaluated by assessments. Some students may be able to study for 10 minutes and obtain an A, while others can spend an entire week studying and receive an F.

## CALENDAR

The following schedule outlines the due dates. As the course progresses, the “Lecture Topics” will be updated to reflect what was covered. If the material changes, the date of assessments will **NOT** change, rather the assessment content will be altered. Corresponding textbook and supplementary readings should be determined from the topic summary associated with each lecture that is posted on Canvas along with the class slides and practice problems.

Week	Date	Summary <sup>§</sup>	Topic	Due
	Mon, Jan 2		<b>(Before Quarter Start)</b>	
1	Wed, Jan 4 Th, Jan 5	1	Introduction to Exchange Rates <i>Discussion: Cancelled</i>	QRE 1
2	M, Jan 9 W, Jan 11 Th, Jan 12	2 3	Introduction to International Macro Policy Arbitrage and Foreign Exchange Markets <i>Discussion: Homework 1</i>	QRE 2 QRE 3 (+1 day) Homework 1
3	M, Jan 16 W, Jan 18 Th, Jan 19		<b>MLK Day (no class)</b>	
		4	Covered and Uncovered Interest Rate Parity <i>Discussion: Homework 2</i>	QRE 4 (+1 day) Homework 2
4	M, Jan 23 W, Jan 25 Th, Jan 26	5 6	Money, Interest, and Exchange Rates Twin Deficits and Balance of Payments Crisis <i>Discussion: Homework 3</i>	QRE 5 QRE 6 (+1 day) Homework 3
5	M, Jan 30 W, Feb 1 Th, Feb 2	7 8	Trade and Exchange Rates Contradiction! Monetary Policy and Exchange Rates <i>Discussion: Policy Report (Discussion Board!)</i>	QRE 7 QRE 8 (+1 day) Policy Report 1
6	M, Feb 6 W, Feb 8 Th, Feb 9	9 10	Introduction to International Macro Measurement S, I, and CA: An Accounting Equation Approach <i>Discussion: Homework 4</i>	QRE 9 QRE 10 (+1 day) Homework 4 <sup>‡</sup>
7	M, Feb 13 W, Feb 15 Th, Feb 16	11 12	S, I, and CA: A Derived Model Approach S, I, and CA: A Micro-Founded Approach <i>Discussion: Exam</i>	QRE 11 <sup>‡</sup> QRE 12 <sup>‡</sup> (+1 day) Policy Report 2
8	M, Feb 20 W, Feb 22 Th, Feb 23		<i>(Exam during class)</i>	
		13	Macroeconomics of Exchange Rate Policy <i>((Discussion Cancelled))</i>	<b>Exam</b> QRE 13 <sup>‡</sup> -
9	M, Feb 27* W, Mar 1 Th, Mar 2	14 15	Reconciling Real and Nominal Economies CBDCs and Cryptocurrencies <i>Discussion: Review</i>	QRE 14 <sup>‡</sup> QRE 15 <sup>‡</sup> (+1 day) Policy Report 3
<b>Finals**</b>	<b>March 10, 12:30-2:30pm. Replacement Exam<sup>‡</sup> &amp; Policy Report 4<sup>‡</sup>, location TBD</b> <b>Policy Report is due at 2:30pm.</b>			

\*This is the last day to request a Withdraw.

\*\*Pass/Fail must be declared by email **at the start** of the final exam’s time slot.

‡ These assessments may be optional for some students: see “Disruption Accommodation” on the Policies Syllabus

## POLICIES AND RESOURCES

See Econ 17110 “Syllabus: Policies” and Econ 17110 “Syllabus: Resources”.