

4351
Econ-4803

International Financial Markets

School of Economics
Georgia Institute of Technology
Oxford Program at Worcester College

Summer 2005

1 Course Details

Instructor: Rehim Kılıç

Email : rk114@mail.gatech.edu

Class times: MTWTh 11:50am-1:20pm

Class location: Lecture Room B

Office hours: There will not be any official office hours. Often, I'll stay for a while after each class, so you can always talk to me after the classes or make an appointment.

Required Text:

International Monetary and Financial Economics, by Joseph P. Daniels and David D. VanHoose, Third edition, Thomson South-Southwestern.

Course Webpage: I will post important information, such as homework assignments, in Webct. Please check this page regularly.

2 The Most Important Rule For This Course

The most important rule for this course is first to read the syllabus and then attend the class and in cases of nonattendance learn what is going on in the class from your friends. The second rule is check webct on a regular basis. All the information needed for the course is in this syllabus and changes/additions will be announced during class and/or in webct!

3 Course Description

This is an introductory course in International Money and Finance. You are expected to be familiar with introductory macroeconomics and microeconomics. The primary goal of this course is to familiarize students with concepts, models, theories and applications in international financial markets. The course is approximately organized in four major parts. The first part of the course will introduce important concepts and notions in international financial economics. Concepts on international payments and exchange will be covered in this part. In the second part of the course, we will study issues relating to foreign exchange (FX) market efficiency, purchasing power parity, and international banking. The third part of the course is devoted to traditional exchange rate determination models. In particular, monetary and portfolio models of exchange rate determination will be discussed in some detail. The fourth part will explore open-economy macro economics and policy analysis in a global economy context. Particular emphasis will be given to macroeconomic policy making with different exchange rate systems and issues relating to policy coordination in a global economy.

4 Course Requirements

4.1 Attendance Policy

You are required to attend the class. I will occasionally take attendance. You are expected to participate in the discussions, be there not only physically but also mentally as well. Since this is a study abroad program, you are required to attend all the classes. If you miss more than three classes without any valid excuse, a letter grade will be dropped. If you miss more than six classes, two letter grades will be dropped. If you miss more than eight classes you will automatically get an F from the course!

4.2 Exams, Homework Assignments and Grading Scheme

The course requirements are two in class exams (altogether exams worth 70%), and a number of assignments (altogether 30%). Exams will be mostly multiple choice and/or short answer questions. Assignments may be both homework or in class work. In addition to regular homework problem sets there will be readings from business press and magazines, such as The Economist or Financial Times. Table 1 provides exam dates and weights for each exam and assignments.

Table 1: Grading Scheme and Exam Dates

Exam 1	35%	July 14, 2005
Exam 2	35%	August 4, 2005
Assignments	30%	
Total	100%	

Table 2: Grade Assignment Policy

percentage	grade
89-100%	A
79-88%	B
70.0-78%	C
60-69%	D
less than 60%	F

Table 2 table gives the percentage points you need to get for each of the corresponding grades.

5 Course Outline

We will closely follow the main textbook. Readings from the textbook are indicated in Table 3. The chapter numbers refer to the corresponding chapters in the main textbook. Note that the following table provides an approximate list of topics that are intended to be covered. However, depending on the pace of the course new sections/chapters may be added or subtracted.

Table 3: Course outline

Part 1.	Introduction to FX Markets	about 5 meetings	Chs: 1 3
Part 2.	International Financial Instruments, Markets and Institutions	about 7 meetings	Chs: 4 7
Part 3.	Exchange Rate Determination Models	about 4 meetings	Chs 8 9
Part 4.	Open Economy Macroeconomics	about 4 meetings	Chs 10 13

5.1 Make-up Policy

If you miss an exam, the weight on the missed exam will be shifted to the last exam (exam 3). Of course, this applies only when you provide an acceptable excuse for the missed exam. Therefore plan ahead of time by looking at exam dates. A shifting of weight of a missed exam can be given only under conditions that are consistent with Georgia Institute of Technology's (and Oxford Study Abroad Program's) rules and regulations for make-up exams.

5.2 Policy on Academic Integrity

All students are expected to comply with the Georgia Tech Honor Code. Any evidence of cheating or other violations of the Georgia Tech Honor Code will be submitted directly to the Dean of Students. Cheating includes, but is not limited to: using a calculator, books or any form of notes on exams; copying directly from any source, including friends, classmates, tutors, or a solutions manual; allowing another person to copy your work; signing person's name or having another person sign your name on an attendance sheet; taking a test in someone else's name, or having someone else take a test in your name; or asking for a re-grade of a paper that has been altered from its original form.