

YSS3224: International Finance (Semester 2 21/22)

Tuesdays & Fridays, 10.30-12.00, Global Learning Room 2 (Library)

Professor David Jacks (dsjacks@yale-nus.edu.sg)

Office hours: Wednesdays 13.00-15.00 and by appointment (Cendana 01-03H)

COURSE DESCRIPTION

This course surveys a variety of topics in international finance and open-economy macroeconomics, including the foreign exchange market, exchange rate determination, purchasing power parity, the Mundell-Fleming model of output and exchange rate determination under fixed and flexible exchange rates, speculative attacks and the causes and consequences of international financial crises. The course will also consider the theory of optimum currency areas and debate the pros and cons of currency boards and monetary unions. Although there are no mathematical prerequisites, much of the material is analytical in nature, and students should feel comfortable manipulating graphs and simple algebraic equations.

COURSE GOALS

- (1) develop an understanding of how the macroeconomy works in a context of open markets
- (2) develop data & empirical skills to analyze phenomena in international markets
- (3) develop a sense of how the judicious use of theory can also help us do the same
(emphasizing intuition/logic over maths/proofs, the models considered will serve to build up a working knowledge of how things work in the global economy)
- (4) build on students' economic literacy & understanding of what is happening in the present

PRE-REQUISITES FOR THE COURSE

YSS2214 (definitely) and YSS2203 (nice but not at all necessary).

COURSE MATERIALS

We will be using Feenstra and Taylor's *International Macroeconomics*.

COURSE ASSESSMENT BREAKDOWN

Your grade will be based on the following:

- (1) participation in class ($\frac{1}{2}$ & $\frac{1}{2}$ on presence), 10%
- (2) group data analysis/short reports (*2), 10%
- (3) a group presentation on one assigned reading, 10%
- (4) a midterm exam, 20%
- (5) a cumulative (in-class) exam, 30%
- (6) a group research paper, 20%

NB: Throughout the term, our class-time will feature lectures on background material, guiding principles, and models. In-class exercises will be used instead of problem sets to reinforce concepts. Thus, the active participation of class members is essential, requiring two

things of students. First, you will need to keep up with reading chapters from the textbook. Second, I expect substantive discursive input from everyone.

The group short reports (two in number) will focus on events drawn from the news and ask you to engage in some basic data analysis and provide commentary. These will be assigned on an ad-hoc basis (but with ample warning). Each group will also be responsible for leading the discussion of a commonly assigned research paper related to the course material while a second group will be responsible for developing questions for the lead group. Finally, the same groups will write a report on the macroeconomic prospects of an individual country in light of lessons learned during the course (I am also open to suggestion to independent research proposals). Details for all assignment will follow later in the term.

COURSE SCHEDULE (subject to revision as the course progresses)

01/11 (Tuesday): *Introduction and organizing principles of the course*

01/14 (Friday): *The Global Macroeconomy (Chapter 12)*

01/18 (Tuesday): *Intro to Exchange Rates and the Forex Market (Chapter 13)*

01/21 (Friday): *Intro to Exchange Rates and the Forex Market (Chapter 13)*

01/25 (Tuesday): *Intro to Exchange Rates and the Forex Market (Chapter 13)*

01/28 (Friday): *The Monetary Approach in the Long Run (Chapter 14)*

02/01 (Tuesday): *The Monetary Approach in the Long Run (Chapter 14)*

02/04 (Friday): *The Monetary Approach in the Long Run (Chapter 14)*

02/08 (Tuesday): **PRESENTATIONS 1 & 2**

02/11 (Friday): *The Asset Approach in the Short Run (Chapter 15)*

02/15 (Tuesday): *The Asset Approach in the Short Run (Chapter 15)*

02/18 (Friday): *The Asset Approach in the Short Run (Chapter 15)*

02/21: **RECESS WEEK**

03/01 (Tuesday): *Review*

03/04 (Friday): **MIDTERM EXAM**

03/08 (Tuesday): *National and International Accounts (Chapter 16)*

03/11 (Friday): *National and International Accounts (Chapter 16)*

03/15 (Tuesday): *Output, ERs, and Macroeconomic Policies in the Short Run (Chapter 17)*

03/18 (Friday): *Output, ERs, and Macroeconomic Policies in the Short Run (Chapter 17)*

03/22 (Tuesday): *Output, ERs, and Macroeconomic Policies in the Short Run (Chapter 17)*

03/25 (Friday): *Fixed versus Floating International Monetary Experience (Chapter 19)*

03/29 (Tuesday): *Fixed versus Floating International Monetary Experience (Chapter 19)*

04/01 (Friday): **PRESENTATIONS 3 & 4**

04/05 (Tuesday): *Exchange Rate Crises (Chapter 20)*

04/08 (Friday): *Exchange Rate Crises (Chapter 20)*

04/12 (Tuesday): **FINAL EXAM**

04/15 (Friday): **NO CLASS - GOOD FRIDAY**

05/06 (Friday): **GROUP RESEARCH PAPER DUE AT 12.00**

ABSENCE POLICY

Students are expected to attend all classes and to notify the professor in advance if they will be absent. If you have required class trips/fieldwork for another course, you should discuss this potential absence with me in advance. It is your responsibility to get class notes from your peers and be prepared to rejoin the class after your absence. You will not be penalized for absences if you receive an Assistant Dean's Note or a Medical Certificate.

ACADEMIC INTEGRITY POLICY

Yale-NUS College expects its students to abide by the highest standards of academic integrity as a matter of personal honesty and communal responsibility. Acting with academic integrity requires that (a) students do their own work, (b) students not interfere with the work of others, (c) students accurately and honestly represent the content of their work, and (d) students properly attribute others' work. Violations of the College's academic integrity standards undermine both the community and the individual growth of students.

Accordingly, they will be addressed with the utmost seriousness and sanctions ranging from grade penalties to expulsion. Examples of violations of academic integrity include plagiarism, copying or sharing homework answers, submitting work completed for one course as "new" work for another course, or fabricating or falsifying research data. For more information please visit the Student Services website, Policies and Procedures section:

<https://studentlife.yale-nus.edu.sg/policies/academic-integrity/>

The Yale-NUS Library provides resources on citations and plagiarism here:

<http://library.yale-nus.edu.sg/avoiding-plagiarism/>

ALERTS TO PARTICULARLY SENSITIVE OR TRIGGERING READINGS/TOPICS/WEEKS

NA

ACADEMIC RESOURCES

Canvas Page Usage Policy: All of the weekly readings for the course will be posted on Canvas. I will primarily communicate with the class via email. However, feel free to anonymously message me on Canvas if any concerns or issues arise.

Research Consultations: Librarians at the Yale-NUS Library meet with students to assist them with their research and with developing information literacy skills and habits. Students should contact their Subject Librarian (<http://library.yale-nus.edu.sg/about/subject-librarians/>) or complete the Research Consultation form (<http://library.yale-nus.edu.sg/research-consultation/>) to set an appointment.

Writing Consultations and Peer Tutoring: The Yale-NUS Writers' Centre provides individual writing consultations for class assignments. For more information on making appointments, visit <https://writerscentre.yale-nus.edu.sg/> Many disciplines also have peer tutors available.

To learn more and book an appointment, visit <https://teaching.yale-nus.edu.sg/student-support/students-peer-tutoring/>

CLASS CLIMATE

Access Needs: If you have any physical, psychiatric or learning conditions that may impact your performance in this course, please reach out to your Assistant Dean for advice and referral to further resources.

Class Discussions: Some students will be more comfortable or assertive speaking in class than others. Students who tend to speak more frequently, longer, and louder are encouraged to make room in the conversation for other voices and develop their listening skills. At the same time, students who are more reserved about speaking during class are encouraged to participate vocally. Please come talk to me if participation or classroom discussion dynamics are challenging for you. We can work together to identify a way forward.

Also, if you are having inter-personal conflicts with a classmate in ways that undermines your learning or engagement, please come talk to me or talk to you AD so we can identify a constructive way forward.

Inclusive and Non-Discriminatory Language: Faculty and students will endeavour to learn and respect each other's names and preferred pronouns. While we aim to harness and learn from the diverse experiences and identities in our classroom, we will avoid expecting individual students to represent their entire country, culture, gender identity, etc.

Language & Conduct: This course encourages non-discriminatory language and conduct. Students should not use racist, sexist, ableist or other discriminatory language in class discussions or written work. Instead, students should be mindful and respectful of the diverse identities present in the class, including but not limited to gender, sex, sexuality, (dis)abilities, socioeconomic class, religion, race, nationalities, and language. If you have suggestions to improve class climate and inclusivity, please come talk to me during office hours, send me an email, or submit anonymous feedback via Canvas. I understand it can be uncomfortable to talk to a professor about these issues, and I want to assure you that any concerns or constructive feedback you raise with me even if it is about my own speech or teaching style will not lead to negative consequences for your grade or our interactions in the course. If you feel uncomfortable speaking with me directly or want to consult with another faculty member about difficulties you are facing in the class, I encourage you to reach out to your Assistant Dean, who can advise you on the process for referring complaints relating to content or behaviour that causes offence to the College administration.

EXPECTATIONS REGARDING STUDENT-FACULTY COMMUNICATION

The quickest way of getting a hold of me is via email, but it is best suited for logistical questions or small points of clarification. Instead, I encourage you to attend my office hours as answering more than the simplest of questions by email is not ideal. This is also the best

way for me to get to know you on a more personal basis (an important part of any good letter of reference). Finally, email will also be the means by which I contact you collectively with any information about the course.

HEALTH AND WELLNESS CONTACTS

Overall personal wellness is of the utmost importance. If you are experiencing undue stress and are concerned that your level of contribution to the class is being affected, please feel free to approach me. If you feel that you might benefit from private counselling, please contact your residential staff, Assistant Dean or the Yale-NUS Counselling Centre. For more information on the Counselling Centre, visit <https://studentlife.yale-nus.edu.sg/counselling/>

INTELLECTUAL PROPERTY AND PRIVACY

The College's academic model encourages open and penetrating discussion of what can sometimes be challenging materials. Additionally, we seek to cultivate an intellectual space in which, as stated in the Faculty Statement on the Freedom of Expression, "there are no questions that cannot be asked, no answers that cannot be discussed and debated." This kind of intellectual exploration requires trust and privacy.

Therefore, students may not record and/or distribute course discussions, lectures, lecture slides or handouts, readings, videos, or any course related materials without prior permission of the instructor. This includes audio recording, video, transcription, and photography. Lectures and seminars that are delivered in-person, online, or as a pre-recorded videos should never be recorded or distributed beyond the course for which it was intended. Any notes which a student takes for their own learning and retention should not be shared beyond the Yale-NUS community. Students are encouraged to reflect upon and share their own learning experiences and ideas in whatever forum they wish. However, they should not share course content produced by their professors or their peers without prior permission through any channels including social media.

NB: Violation of this policy is addressed in the student Code of Conduct and could result in disciplinary and/or legal consequences. As per Clause F2(a) of Policies Relating To Yale-NUS College Intellectual Property, copyright to an authored work shall be owned by the University Member who authored it. Authored work could include syllabi, tests, examination scripts, study guides, lecture notes and teaching materials, including lectures recorded on audio and/or visual recordings.

LATE SUBMISSION POLICY

NA

OTHER POLICIES UNIQUE TO THE DISCIPLINE/COURSE AS RELEVANT

NA