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**University of Texas at Tyler**  
**ECON 4350: Topics in Economics:**  
**International Macroeconomics and Finance**  
**Fall 2023**

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**Instructor:** Meryem Saygili

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**Place and Time:** CAS 208, TuTh 2:00 PM – 3:20 PM

**Office Hours:** TuTh 12:30 PM – 2 PM or by appointment.

**Course Description:** This course analyzes macroeconomic concepts and financial markets at the global level. The topics discussed include the exchange rates, how they are determined, the relationship between monetary policy and exchange rates, players in the foreign exchange markets, characteristics of the foreign exchange markets, and types of exchange rate regimes.

**Learning Outcomes:** After completing this course, students will be able to

- Define exchange rates
- Describe the properties of different exchange rate regimes
- Explain how fluctuations in exchange rates affect the economy
- Identify the market forces that affect the behavior of exchange rates
- Discuss the relationship between monetary policies and exchange rates
- Explain the importance of international financial markets for countries' welfare
- Discuss the implications of international borrowing and lending on countries' external wealth

**Grading Policy:** The components of the final grade are:

Exam 1	20% ( <b>Tuesday, September 26</b> )
Exam 2	20% ( <b>Tuesday, November 7</b> )
Final	30%
Quizzes/Homework	20%
Attendance/Participation	10%

The course will comprise two midterm exams, each contributing 20% to your final grade, and a final exam, which will account for 30% of your total grade. The midterms are scheduled to take place during regular class times, with specific dates indicated in parentheses. The date and location for the final exam will be determined by the University. In addition to exams, you will have quizzes and homework assignments. Your lowest quiz or homework score will be dropped, and the remaining scores will collectively contribute 20% to your final grade. Regular attendance in lectures, active participation in classroom discussions, and engagement in activities will constitute 10% of your final grade. To maximize your performance in the course, make an effort to attend lectures consistently and contribute actively to discussions and activities.

### **Grading Scale:**

A	88% or greater
B	78 – 87%
C	65 – 77%
D	64 – 50%
F	below 50%

THERE IS NO MAKE-UP EXAM OR EXTRA CREDIT! If you know you will miss an exam due to religious holidays, athletic team requirements, etc., please inform me at the beginning of the semester so that we can arrange an alternative test date that accommodates your situation. In case of an emergency absence, such as medical issues or a family member's passing, I will exempt you from that specific exam and adjust your final score accordingly. However, this accommodation applies only if you provide official documentation, such as a doctor's note or a death certificate. Absence from a test without a valid excuse will result in a grade of zero. Naturally, achieving a satisfactory grade becomes challenging if tests are missed without proper justification.

**Course Structure:** All course-related materials and announcements will be on Canvas. Make sure you receive emails sent through Canvas.

**Textbook:** International Macroeconomics by Robert C. Feenstra and Alan M. Taylor. 5th edition, Worth Publishers. ISBN: 1319218423 (Older editions are fine). The textbook is recommended but not required.

### **COURSE OUTLINE**

The textbook is referred to as “FT”. The last topics will be covered if time permits.

#### **1. Introduction**

Why do exchange rates matter and what explains their behavior?

Why do countries borrow from and lend to each other and with what effects? How do government policy choices affect macroeconomic outcomes?

FT, chapter 1

**2. Exchange rates and the foreign exchange market** What are the features of foreign exchange rates? How does the foreign exchange market operate?

Why do arbitrage and expectations matter for exchange rates? FT, chapter 2

### 3. The monetary approach to exchange rates (Long run)

How does the goods market arbitrage link the purchasing power of currencies and their exchange rates in the long run?

How do the supply and demand for money affect the purchasing power of currencies? What factors influence the monetary and exchange rate choices made by policymakers? FT, chapter 3

### 4. The asset market approach to exchange rates (Short run)

How do expectations and interest rate arbitrage determine the exchange rate in the short run? How do money market conditions, including central bank policy choices, determine interest rates?

Difference between floating and fixed exchange rates. FT, chapter 4

### 5. National income accounting in an open economy

How do economists measure a nation's expenditure, income, and product?

How do we measure international transactions involving goods, services, income, and assets? How do all these relate to a nation's wealth and how it changes over time?

FT, chapter 5

### 6. Intertemporal open economy macroeconomics

How can countries use the balance of payments to make consumption smoother? How can countries use the balance of payments to make more efficient investments? How can countries use the balance of payments to better diversify against risk?

FT, chapter 6

### 7. Short-run open economy macroeconomics

How do the fluctuating economic forces of aggregate demand determine the level of output? Is it possible for fiscal and monetary policymakers to affect short-run equilibrium outcomes? What are the pros and cons of using these policies?

FT, chapter 7

### 8. Fixed vs. floating exchange rates

Why do some countries adopt a fixed exchange rate while others let the exchange rates float? What are the costs and benefits of each type of regime?

FT, chapter 8

## UNIVERSITY POLICIES AND INFORMATION

- **Withdrawing from Class** - Students, you are allowed to [withdraw](#) (drop) from this course through the [Withdrawal Portal](#). Withdrawing from classes can impact Financial Aid, Scholarships, Veteran Benefits, Exemptions, Waivers, International Student Status, housing, and degree progress. Please read this page, speak with your instructors, consider your options, and speak with your instructor.

UT Tyler faculty and staff are here for our students and often can provide additional support options or student assistance. Please read the implications for withdrawing from a course and the instructions on using the Withdrawal portal on the [Registrar's Withdrawal page](#). Texas law prohibits students who began college for the first time in Fall 2007 or thereafter from dropping more than six courses during their entire undergraduate career. This includes courses dropped at other 2-year or 4-year Texas public colleges and universities. Consider the impact withdrawing from this class has on your academic progress and other areas, such as financial implications. We encourage you to consult your advisor(s) and financial aid for additional guidance. CAUTION #1: Withdrawing before census day does not mean you get a full refund. Please see the [Tuition and Fee Refund Schedule](#). CAUTION #2: All international students must check with the [Office of International Programs](#) before withdrawing. All international students are required to enroll full-time for fall and spring terms. CAUTION #3: All UT Tyler Athletes must check with the Athletic Academic Coordinator before withdrawing from a course. CAUTION #4: All veterans or military-affiliated students should consult with the [Military and Veterans Success Center](#).

- **Final Exam Policy:** Final examinations are administered as scheduled. If unusual circumstances require that special arrangements be made for an individual student or class, the Dean of the appropriate college, after consultation with the faculty member involved, may authorize an exception to the schedule. Faculty members must maintain student final examination papers for a minimum of three months following the examination date.
- **Incomplete Grade Policy:** If a student, because of extenuating circumstances, is unable to complete all of the requirements for a course by the end of the semester, then the instructor may recommend an Incomplete (I) for the course. The "I" may be assigned in place of a grade only when all of the following conditions are met: (a) the student has been making satisfactory progress in the course; (b) the student is unable to complete all coursework or final exam due to unusual circumstances that are beyond personal control and are acceptable to the instructor, and (c) the student presents these reasons before the time that the final grade roster is due. The semester credit hours for an Incomplete will not be used to calculate the grade point average. The student and the instructor must submit an Incomplete Form detailing the work required and the time by which the work must be completed to their respective department chair or college dean for approval. The time limit established must not exceed one year. Should the student fail to meet all of the work for the course within the time limit, then the instructor may assign zeros to the unfinished work, compute the course average for the student, and assign the appropriate grade. If a grade has yet to be assigned within one year, then the Incomplete will be changed to an F, or NC. If the course was initially taken under the CR/NC grading basis, this may adversely affect the student's academic standing.
- **Grade Appeal Policy:** - Disputes regarding grades must be initiated within sixty (60) days from the date of receiving the final course grade by filing a Grade Appeal Form with the instructor who assigned the grade; this is separate from the Application for Appeal form submitted to the Student Appeals Committee, which does not rule on grade disputes as described in this policy. If the student is not satisfied with the decision, the student may appeal in writing to the Chairperson of the department from which the grade was issued. In situations where there is an allegation of capricious grading, discrimination, or unlawful actions, appeals may go beyond the Chairperson to the Dean of the college from which the grade was issued, with that decision being final. The Grade Appeal form is found in the [Registrar's Form Library](#).
- **Disability/Accessibility Services:** In accordance with Section 504 of the Rehabilitation Act, Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA), the University of Texas at Tyler offers accommodations to students with learning, physical, and/or psychological disabilities. If you have a disability, including a non-visible diagnosis such as a learning disorder, chronic illness, TBI, PTSD, ADHD, or a history of modifications or accommodations in a previous

educational environment, you are encouraged to visit <https://hood.accessiblelearning.com/UTTyler> and fill out the New Student application. The Student Accessibility and Resources (SAR) office will contact you when your application has been submitted and an appointment with the Assistant Director Student Accessibility and Resources/ADA Coordinator. For more information, including filling out an application for services, please visit the SAR webpage at <https://www.uttyler.edu/disability-services>, the SAR office located in the University Center, # 3150, or call 903.566.7079."

- **Military Affiliated Students:** UT Tyler honors the service and sacrifices of our military-affiliated students. If you are a student who is a veteran, on active duty, in the reserves or National Guard, or a military spouse or dependent, please stay in contact with your faculty member if any aspect of your present or prior service or family situation makes it difficult for you to fulfill the requirements of a course or creates disruption in your academic progress. It is important to make your faculty member aware of any complications as far in advance as possible. Your faculty member is willing to work with you and, if needed, put you in contact with university staff who are trained to assist you. The [Military and Veterans Success Center \(MVSC\)](#) has campus resources for military-affiliated students. The MVSC can be reached at MVSC@uttyler.edu or via phone at 903.565.5972.
- **Academic Honesty and Academic Misconduct:** The UT Tyler community comes together to pledge that "Honor and integrity will not allow me to lie, cheat, or steal, nor to accept the actions of those who do." Therefore, we enforce the [Student Conduct and Discipline policy](#) in the Student Manual Of Operating Procedures (Section 8).
- **FERPA -** UT Tyler follows the Family Educational Rights and Privacy Act (FERPA) as noted in [University Policy 5.2.3](#). The course instructor will follow all requirements to protect your confidential information.
- **Absence for Official University Events or Activities:** This course follows the practices related to approved absences as noted by the Student Manual of Operating Procedures ([Sec. 1 -501](#)).
- **Absence for Religious Holidays:** This course follows the practices related to [Excused Absences for Religious Holy Days as noted in the Catalog](#).
- **Campus Carry:** We respect the right and privacy of students who are duly licensed to carry concealed weapons in this class. License holders are expected to behave responsibly and keep a handgun secure and concealed. More information is available at <http://www.uttyler.edu/about/campus-carry/index.php>.

## STUDENT RESOURCES

- [UT Tyler Student Accessibility and Resource \(SAR\) Office](#) (provides needed accommodations to students with document needs related to access and learning)
- [UT Tyler Writing Center](#)
- [The Mathematics Learning Center](#)
- [UT Tyler PASS Tutoring Center](#)
- [UT Tyler Supplemental Instruction](#)
- [Upswing \(24/7 online tutoring\) - covers nearly all undergraduate course areas](#)
- [Robert Muntz Library](#) and [Library Liaison](#)
- [Canvas 101](#) (learn to use Canvas, proctoring, Unicheck, and other software)
- LIB 422 -- Computer Lab where students can take a proctored exam
- [The Career Success Center](#)
- [UT Tyler Testing Center](#)
- [Office of Research & Scholarship Design and Data Analysis Lab](#)

## Resources available to UT Tyler Students

- [UT Tyler Counseling Center](#) (available to all students)
- [My SSP App](#) (24/7 access to Student Support Program counseling through phone or chat and online wellness resources available in a variety of languages)
- [Student Assistance and Advocacy Center](#)
- [Military and Veterans Success Center](#) (supports for all of our military-affiliated students)
- [UT Tyler Patriot Food Pantry](#)
- [UT Tyler Financial Aid and Scholarships](#)
- [UT Tyler Registrar's Office](#)
- [Office of International Programs](#)
- [Title IX Reporting](#)
- [Patriots Engage](#) (available to all students. Get engaged at UT Tyler.)