

**Faculty of Science Course Syllabus  
Department of Economics  
Open Economy Macroeconomics, ECON 5253  
Fall 2018**

**Instructor:**

Christos Ntantamis

Office: 6220 University Avenue (Economics Department), C25

Phone: (902) 4946462

e-mail: christos.ntantamis@dal.ca

**Timetable:**

Lecture Hours:

- Monday and Wednesday, 13.05-14.25, McCain Arts & Social Sciences 2021

Office Hours:

- Monday and Wednesday, 09.00-10.30 (or by appointment)

**Course Description:**

The purpose of this course is to build an understanding of contemporary issues in international economics, by providing a formal exposition and discussion of theoretical models for open economy macroeconomics. The topics covered include intertemporal consumption-saving decisions, economic growth, fiscal and monetary policies, and exchange rate models. Building on these theories, a focus will be placed on Developing countries' economies, by comparing their economic growth, discussing foreign debt and banking crises, and examining the causes and consequences of currency crises.

**Objectives of the course:**

This course introduces statistical tools for handling economic and financial data generated in uncontrolled environments, and the techniques involved in their use.

**Learning outcomes and competences:**

At the end of the course the participants will be able:

- describe stylised facts in international finance and international macroeconomics
- explain the importance of assumptions and model structures for analytical results and evaluate how this affects the generality and applicability of the results
- reflect on the importance of the specific formulation of the models for the properties of the equilibria and for the effects of fiscal and monetary policy
- formulate, solve and apply dynamic models of the open economy under perfect foresight and uncertainty
- analyse and explain the transmission of shocks across countries, the role of fiscal policy for external adjustments, and the effects of capital controls on important aggregate variables and welfare
- critically confront the predictions of the models with the observations in the data
- describe recent financial crises in developing economies, and reflect about the underlying causes
- apply the analytical tools in an independent analysis of specific problems within the topics covered

**Format:**

Regular lectures

**Material:**

- Végh, Carlos A., (2013). *Open Economy Macroeconomics in Developing Countries*. MIT Press, Cambridge, MA. (Required)
- Supplementary Textbooks:
  - + Obstfeld, Maurice, and Kenneth Rogoff, (1996). *Foundations of International Macroeconomics*. MIT Press, Cambridge, MA (optional)
  - + Agénor, Pierre-Richard, and Peter J. Montiel, (2008). *Development Macroeconomics*. Princeton University Press, Princeton, NJ (optional)
  - + Uribe, Martin, and Stephanie Schmitt-Grohe, (2015). *Open Economy Macroeconomics*, Princeton University Press, Princeton, NJ (optional)
- Other material:
  - + Reinhart C.M., and K.S. Rogoff, (2008). *This Time is Different: Eight Centuries of Financial Follies*, Princeton University Press.
  - + Schmitt-Grohe S., M. Uribe, and M. Woodford, (2016). *International Macroeconomics*, unpublished textbook manuscript (<http://www.columbia.edu/~mu2166/UIM/index.html>)
- Suggested prerequisite readings:
  - + Blanchard O., and D Johnson (2014), *Macroeconomics*, Pearson.
  - + Krugman P., M. Obstfeld, and M.J. Melitz, (2018). *International Economics: Theory and Policy*, 11<sup>th</sup> edition, Pearson. Chapters 13-22.
- Additional Notes, as required: available via [Brightspace](#).

**Assessment:**

- Research Paper (Individual): 50%
  - + Sequence of assignments that progressively build towards the final paper
  - + Assignment 1-Identifying a topic: 5%
  - + Assignment 2- Literature Review: 10%
  - + Assignment 3- Preliminary Analysis: 10%
  - + Assignment 4 -Final Paper: 20%
  - + Presentation: 5%
- Project – Financial Crises (Groups): 15%
  - + Report (10%)
  - + Presentation (5%)
- Final Exam: 35%
- Notes:
  - + The project involves a detailed discussion of a recent financial crisis in a developed country, by providing a background in terms of data and policies, a description of the actual crisis, and its aftermath (details in separate document).
  - + The research paper involves independent research linked to topics discussed in the course. Additional required reading to facilitate this process will be available to students as part of the assignments (details in separate document).
  - + If a student misses the final exam for a valid reason, as per Section 16.8 of the University Calendar, she/he must notify the instructor immediately. The student will have the opportunity to write up a make-up exam within the next week after the end of the class.

**Grading scheme:**

The following table describes the grading scale to be applied in the course.

**Grading Scale as per Dalhousie Faculty of Graduate Studies Calendar  
Regulation 7.6.2 Grading Policy**

Letter Grade	Numerical % equivalent
A+	90 - 100
A	85 - 89
A-	80 - 84
B+	77 - 79
B	73 - 76
B -	70 - 72
F	0-69

Notes:

1. As per FGS regulations students must obtain a final course grade of 70% (B-) or higher to pass the course (study carefully the grading scale).
2. To pass the course, a minimum of B- grade is required on the final exam

**Important Dates:**

- Research Paper
  - + Assignment 1: September 12<sup>th</sup>
  - + Assignment 2: October 3<sup>rd</sup>
  - + Assignment 3: October 31<sup>st</sup>
  - + Assignment 4: November 30<sup>th</sup>
  - + Presentation: December 3<sup>rd</sup>
- Project
  - + Report: November 19<sup>th</sup>
  - + Presentation: November 21<sup>st</sup>
- Fall study break : November 12<sup>th</sup>-16<sup>th</sup>
- Final Exam: December 4<sup>th</sup> (last day of class)

**Email Policy:**

- Weekdays: emails received by 18.00 would be responded by the end of the day. Anything after that time would be responded in the following day.
- Weekends: emails are to be checked sporadically and you should not expect a response within the same day.
- Lengthy questions are easier and preferable to be answered during office hours.
- Make sure that you have checked the course outline and all material available in Brightspace prior to asking a question.

**Course contents:**

<b>Dates</b>	<b>Topic</b>	<b>Material (primary)</b>
Week 1 Sep 5 <sup>th</sup>	Introduction/Course Requirements Macroeconomic fluctuations; Data	Notes
Week 2 Sep 10 <sup>th</sup> , 12 <sup>th</sup>	A dynamic model of a small economy	Végh (Ch. 1)
Week 3 Sep 17 <sup>th</sup> , 19 <sup>th</sup>	A dynamic model of a small economy (cont.) Capital market imperfections	Végh (Ch. 1,2)
Week 4 Sep 24 <sup>th</sup> , 26 <sup>th</sup>	Capital market imperfections (cont.)	Végh (Ch. 2)
Week 5 Oct 1 <sup>st</sup> , 3 <sup>rd</sup>	Macroeconomic aspects of international trade: theory and applications	Végh (Ch. 3, 4)
Week 6 Oct 10 <sup>th</sup>		
Week 7 Oct 15 <sup>th</sup> , 17 <sup>th</sup>	Macroeconomic aspects of international finance	Végh (Ch. 14)
Week 8 Oct 22 <sup>nd</sup> , 24 <sup>th</sup>	Monetary models	Végh (Ch. 5)
Week 9 Oct 29 <sup>th</sup> , 31 <sup>st</sup>	The nominal exchange rate and nominal frictions	Végh (Ch. 6-8, 16)
Week 10 Nov 5 <sup>th</sup> , 7 <sup>th</sup>	The nominal exchange rate and nominal frictions (cont.) The balance of payments crises	

**Study Break: November 12<sup>th</sup>-16<sup>th</sup>**

Week 11 Nov 19 <sup>th</sup> , 21 <sup>st</sup>	The balance of payments crises (cont.) Project Presentation	Végh (Ch. 16)
Week 12 Nov 26 <sup>th</sup> , 28 <sup>th</sup>	Financial crises	Végh (Ch. 17)
Week 13 Dec 3 <sup>rd</sup>	Research Paper Presentation	

**December 4<sup>th</sup>: Final Exam**

## University Policies and Statements

**This course is governed by the academic rules and regulations set forth in the University Calendar and by Senate**

### Academic Integrity

At Dalhousie University, we are guided in all of our work by the values of academic integrity: honesty, trust, fairness, responsibility and respect (The Center for Academic Integrity, Duke University, 1999). As a student, you are required to demonstrate these values in all of the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity.

**Information:** [https://www.dal.ca/dept/university\\_secretariat/academic-integrity.html](https://www.dal.ca/dept/university_secretariat/academic-integrity.html)

### Accessibility

The Advising and Access Services Centre is Dalhousie's centre of expertise for student accessibility and accommodation. The advising team works with students who request accommodation as a result of a disability, religious obligation, or any barrier related to any other characteristic protected under Human Rights legislation (Canada and Nova Scotia).

**Information:** [https://www.dal.ca/campus\\_life/academic-support/accessibility.html](https://www.dal.ca/campus_life/academic-support/accessibility.html)

### Student Code of Conduct

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner—perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution.

**Code:** [https://www.dal.ca/dept/university\\_secretariat/policies/student-life/code-of-student-conduct.html](https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html)

### Diversity and Inclusion – Culture of Respect

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. We stand for equality. Dalhousie is strengthened in our diversity. We are a respectful and inclusive community. We are committed to being a place where everyone feels welcome and supported, which is why our Strategic Direction prioritizes fostering a culture of diversity and inclusiveness

**Statement:** <http://www.dal.ca/cultureofrespect.html>

### Recognition of Mi'kmaq Territory

Dalhousie University would like to acknowledge that the University is on Traditional Mi'kmaq Territory. The Elders in Residence program provides students with access to First Nations elders for guidance, counsel and support. Visit or e-mail the Indigenous Student Centre (1321 Edward St) ([elders@dal.ca](mailto:elders@dal.ca)).

**Information:** [https://www.dal.ca/campus\\_life/communities/indigenous.html](https://www.dal.ca/campus_life/communities/indigenous.html)

### Important Dates in the Academic Year (including add/drop dates)

[https://www.dal.ca/academics/important\\_dates.html](https://www.dal.ca/academics/important_dates.html)

### University Grading Practices

[https://www.dal.ca/dept/university\\_secretariat/policies/academic/grading-practices-policy.html](https://www.dal.ca/dept/university_secretariat/policies/academic/grading-practices-policy.html)

## Student Resources and Support

### Advising

**General Advising:** [https://www.dal.ca/campus\\_life/academic-support/advising.html](https://www.dal.ca/campus_life/academic-support/advising.html)

**Science Program Advisors:** <https://www.dal.ca/faculty/science/current-students/academic-advising.html>

**Indigenous Student Centre:** [https://www.dal.ca/campus\\_life/communities/indigenous.html](https://www.dal.ca/campus_life/communities/indigenous.html)

**Black Advising Centre:** [https://www.dal.ca/campus\\_life/communities/black-student-advising.html](https://www.dal.ca/campus_life/communities/black-student-advising.html)

**International Centre:** [https://www.dal.ca/campus\\_life/international-centre/current-students.html](https://www.dal.ca/campus_life/international-centre/current-students.html)

### Academic supports

**Library:** <https://libraries.dal.ca/>

**Writing Centre:** [https://www.dal.ca/campus\\_life/academic-support/writing-and-study-skills.html](https://www.dal.ca/campus_life/academic-support/writing-and-study-skills.html)

**Studying for Success:** [https://www.dal.ca/campus\\_life/academic-support/study-skills-and-tutoring.html](https://www.dal.ca/campus_life/academic-support/study-skills-and-tutoring.html)

**Copyright Office:** <https://libraries.dal.ca/services/copyright-office.html>

**Fair Dealing Guidelines:** <https://libraries.dal.ca/services/copyright-office/fair-dealing.html>

### Other supports and services

**Student Health & Wellness Centre:** [https://www.dal.ca/campus\\_life/health-and-wellness/services-support/student-health-and-wellness.html](https://www.dal.ca/campus_life/health-and-wellness/services-support/student-health-and-wellness.html)

**Student Advocacy:** <https://dsu.ca/dsas>

**Ombudsperson:** [https://www.dal.ca/campus\\_life/safety-respect/student-rights-and-responsibilities/where-to-get-help/ombudsperson.html](https://www.dal.ca/campus_life/safety-respect/student-rights-and-responsibilities/where-to-get-help/ombudsperson.html)

### Safety

#### Research Lab Safety

[https://www.dal.ca/content/dam/dalhousie/pdf/dept/safety/lab\\_policy\\_manual\\_2007.pdf](https://www.dal.ca/content/dam/dalhousie/pdf/dept/safety/lab_policy_manual_2007.pdf)

**Biosafety:** <https://www.dal.ca/dept/safety/programs-services/biosafety.html>

**Chemical Safety:** <https://www.dal.ca/dept/safety/programs-services/chemical-safety.html>

**Radiation Safety:** <https://www.dal.ca/dept/safety/programs-services/radiation-safety.html>

**Scent-Free Program:** <https://www.dal.ca/dept/safety/programs-services/occupational-safety/scent-free.html>

## **DEPARTMENT OF ECONOMICS STATEMENT ON ACADEMIC INTEGRITY**

At Dalhousie University, we respect the values of academic integrity: honesty, trust, fairness, responsibility, and respect. As a student, adherence to the values of academic integrity and related policies is a requirement of being part of the academic community at Dalhousie University.

### **What does academic integrity mean?**

Academic integrity means being honest in the fulfillment of your academic responsibilities, thus establishing mutual trust. Fairness is essential to the interactions of the academic community and is achieved through respect for the opinions and ideas of others. “Violations of intellectual honesty are offensive to the entire academic community, not just to the individual faculty member and students in whose class an offence occurs.”

(<http://academiccalendar.dal.ca/Catalog/ViewCatalog.aspx?pageid=viewcatalog&catalogid=1&chapterid=89&topicgroupid=381&loadusercredits=False>)

### **How can you achieve academic integrity?**

- Make sure you understand Dalhousie’s policies on academic integrity.
- While discussion with your fellow students is valuable, do not submit an assignment or essay that is essentially identical to an assignment or essay submitted by another individual or group.
- In assignments or essays, use an approved method of citation for any material taken directly from an existing source or any material that is a paraphrase of an existing source.
- Do not download the work of another from the Internet and submit it as your own.
- Do not submit work that has been completed through collaboration or previously submitted for another assignment without permission from your instructor.
- Do not have someone else write a test for you, or write a test for someone else.
- During a test, do not talk with other students and do not try to copy the work of another student.

### **What will happen if an allegation of an academic offence is made against you?**

Instructors are required to report any suspected offence. The full process is outlined in the Discipline flow chart (found at <http://academicintegrity.dal.ca>) and includes the following:

- Each Faculty has an Academic Integrity Officer (AIO) who receives allegations from instructors.
- The AIO decides whether to proceed with the allegation and you will be notified of the process.
- If the case proceeds, you will receive a PENDING grade until the matter is resolved.
- If you are found guilty of an academic offence, a penalty will be assigned ranging from a warning to suspension or expulsion from the University and can include a notation on your transcript, failure of the assignment, or failure of the course. All penalties are academic in nature.

### **Where can you turn for help?**

- If you are ever unsure about ANYTHING, contact your instructor.
- See <http://academicintegrity.dal.ca> for links to policies, definitions, online tutorials, and tips on citing and paraphrasing.
- See <http://writingcentre.dal.ca> for assistance with proofreading, writing styles, and citations.
- See <http://libraries.dal.ca/research.html> for a set of research tools including Subject Guides,

Assignment Calculator, and RefWorks.

- See <http://studentservices.dal.ca> for assistance with appeals and discipline procedures.
- See <http://senate.dal.ca> for a list of Academic Integrity Officers, a discipline flow chart, and the Senate Discipline Committee.

The [Policy on Student Submission of Assignments & Use of Originality Checking Software](#) states that “any instructor may require student assignments to be submitted in both written and electronic (computer-readable) form, e.g., a text file or as an email attachment, as defined by the instructor. Use of third-party originality checking software does not preclude instructor use of alternate means to identify lapses in originality and attribution. The results of such assessment may be used as evidence in any disciplinary action taken by the Senate.”