

ECONOMICS 252

INTERNATIONAL MONETARY ECONOMICS

W. J. Ethier
STIT B-26

Spring 2012
TuThurs 12 – 1:30

Economics 252 is a one-semester course on international monetary economics. The prerequisite is Economics 102, Mathematics 104 and Mathematics 114 or 115. Economics 251 is a companion course on international monetary economics; however, you can obtain credit for either without taking the other. Although Economics 251 is not a prerequisite, some knowledge of international trade is required, but this will be covered at the beginning of this course: this material will be review to those who have had 251. If you have had Economics 50 or 150 you *cannot* obtain credit for this course; if you take this course you will not in the future be able to obtain credit for Economics 50.

OFFICE HOURS

Wilfred Ethier:

Mon (2–3) and Tu (10–12)..... in McNeil 536.
email: ethierwj@msn.com

Pilar Alcalde Eyheramendy:

Thurs (5–8). in McNeil 344.
email: malcalde@sas.upenn.edu

Questions about the lectures should be directed to *Ethier* and questions about the textbook problems should be directed to *Eyheramendy*. (But you may see either in cases of scheduling conflicts).

TEXT

Ethier, **MODERN INTERNATIONAL ECONOMICS**, 3rd edition (Norton, 1995).

STUDY GUIDE FOR MODERN INTERNATIONAL ECONOMICS, 3rd edition (Norton, 1995). [Recommended only]

REQUIREMENTS

There will be two hour examinations (each 1/4 of the course grade) and a final (1/2). You are also responsible for being able to do the problems assigned below, although they will not be collected or discussed in class. Answers to them all may be found in the **STUDY GUIDE**.

Questions on examination grades will not be entertained after one week following the initial return of corrected examinations.

Please note that the dates and times of the midterm and final examinations are listed below. It is your responsibility to avoid preventable conflicts (*e.g.*, with flights), and these times take precedence over any other exams or other events announced subsequently.

COURSE CALENDAR

Spring Break: March 3–11

FIRST HOUR EXAMINATION: Tuesday, 14 February

The exam will cover all material discussed in class up to and including Thursday, Feb. 9th, plus the readings and problems associated with that material.

SECOND HOUR EXAMINATION: Thursday, 22 March

The exam will cover all material discussed in class up to and including Tuesday, Mar. 19th, plus the readings and problems associated with that material.

FINAL EXAMINATION: Wednesday, May 2, 9 – 11

The final examination will be cumulative.

COURSE GUIDE and READING LIST

I. Overview of International Trade (ch 4) [Problems: 4.2, 4.3, 4.4, 4.5]

II. International Factor Movements (chs 10, 11) [Problems: 10.4, 10.8]

III. International Monetary Economics

A. Monetary Mechanics (chs 12, 13) [Problems: 12.2, 13.6, 13.7]

B. The Exchange Rate (ch 14) [Problems: 14.5, 14.6]

C. The Automatic Adjustment Process (chs 15, 16) [Problems: 15.1, 15.6, 15.7]

IV. Open-Economy Macroeconomics

A. Incomes and Adjustment (ch 17) [Problems; 17.1, 17.8, 17.17]

B. Prices and Adjustment (ch 18) [Problems: 18.3, 18.4, 18.8, 18.15]

C. Capital and Adjustment (ch 19) [Problems: 19.9, 19.20]

V. Economic Integration and Financial Crises (ch 20)