

**UNIVERSITY OF PENNSYLVANIA**  
**SCHOOL OF ARTS AND SCIENCES**  
**DEPARTMENT OF ECONOMICS**

**Econ 252 – International Economics**  
**Spring 2016**

**Cecilia Fieler**

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*Please use email to communicate with me. I do not look at the messages in Canvas.*

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Office hours: Friday 10-12

**Course hours:** Tuesdays and Thursdays, 1:30-3:00pm in Stiteler B21

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**Objectives and Prerequisites**

This course is an introduction to international macroeconomics. The theoretical background is used as a basis for discussion of policy issues. The course takes theoretical, empirical and historical approaches. Topics are foreign exchange markets, balance of payments, capital flows, financial crises, coordination of monetary and fiscal policy in a global economy.

Prerequisites: Economics 101 and 102, math 104, and Math 114 or Math 115

The LPS 200-level course **will not** count for Economics Majors unless you are officially registered as and LPS student.

**Textbooks**

**Required:** Krugman, P., M. Obstfeld and M. Melitz, *International Finance* (10<sup>th</sup> ed.). Prentice Hall, 2014

**Optional:** Feenstra, R. and Taylor, A., *International Macroeconomics* (3<sup>rd</sup> ed.). Worth Publishers, 2014

**Recommended readings**

Reinhart, C., K. Rogoff, *This Time is Different: Eight Centuries of Financial Folly*, Princeton University Press, 2009

**Obstfeld M., A. Taylor**, *Global Capital Markets: Integration, Crisis, and Growth*, Cambridge University Press, 2004

### **Grading**

The final grade for the course will be based on homework assignments, term paper, midterm and final exam. The worst homework assignment grade will be dropped. The final exam is cumulative.

Homework assignments	15%
Midterm I, February 16	25%
Midterm II, March 22	30%
Midterm III, April 21	30%

Courses taught in the Department of Economics are covered by a common set of course management policies. Registering for this course means that you will follow these policies.

See, Departmental Policies for Undergraduate Economics Courses

<https://economics.sas.upenn.edu/undergraduate-program/course-information/guidelines/policies>

The Department's guideline for the distribution of grades will also be followed:

00-30% grades: A or A-

40-50% grades: B+, B, or B-

20-30% grades: C+ or below

### **Outline of the course**

Introduction to international macroeconomics

Income accounting

Exchange rates

Money and foreign exchange markets

Exchange rates in the long run

Exchange rates in the short run

Fixed exchange rates

History of international monetary systems

International capital markets

European Monetary Union

Developing countries: Growth, crisis and reform

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