Course Title:
International Economics - Finance

Course Number:
ECON 5633-221

Course Description:
This course deals with the macroeconomic aspects of the theories and policies of international economics. The main topics include the balance of payments, exchange rates, and macroeconomic policies in an open-economy context, as well as current challenges and dilemmas faced by the existing international financial order, including the US current account problems and the 2008- global financial crisis. The course is designed around lectures, assigned readings, and class discussions. The students are expected to come to each class after having read the assigned readings, and to participate in classroom discussions.

Class Dates, Location and Hours:

   Dates: February 19-24, 2013
   Location: SHAPE, Belgium. See Site Director for classroom location.
   Hours: Tue-Fri 6:00-9:30 p.m.; Sat-Sun 8:30 a.m.-4:30 p.m.
   Last day to enroll or drop without penalty: January 21, 2013

Site Director:
Meredith Carter. Phone: 065-44-3654; DSN 423-3654; DSN Fax: 366-6230; E-mail: apshape@ou.edu

Professor Contact Information:

   Course Professor: Firat Demir, Ph.D.
   Mailing Address: Dept. of Economics
                     729 Elm Avenue
                     Hester Hall, Room 324A
                     Norman, OK 73019-2103
   Telephone Number: 405-325-5844
   Fax Number: 405-325-5842
   E-mail Address: fdemir@ou.edu
   Web: http://faculty-staff.ou.edu/D/Firat.Demir-1/
   Professor availability: The professor will be available via e-mail to students before and after the class sessions. On-site office hours are half an hour before and after each class session, by appointment.

Textbook(s) and Instructional Materials:
Student materials are available at the Follett/AP Bookstore located in the Oklahoma Memorial Union, 900 Asp Ave., Norman, OK. Orders can be placed online at www.oklahomaunion.bkstr.com or by telephone at 866-369-9713 (toll free in the U.S.) or 405-325-5960 (outside the U.S.). E-mail orders may be sent to oklahomaunion@bkstr.com. Representatives are available from 8 a.m. to 6 p.m. CST Monday through Thursday and 8 a.m. to 5 p.m. CST on Friday. Summer hours: 8 a.m. to 4 p.m. CST. Faxed orders may be placed 24 hours a day to 866-223-5607 (toll free in the U.S.) or 405-325-7140 (outside the U.S.).

1. Krugman, P., Melitz, M., & Obstfeld, M. (2011) International economics: Theory and policy (9th ed.). Upper Saddle River, NJ: Prentice Hall. ISBN 9780132146654. (Text prices are available online.) Earlier additions by Krugman and Obstfeld are accepted. However, note that chapter and page numbers in the syllabus refer to those from the 9th edition. I will upload a copy of the
contents page of 9th ed. to D2L so that you can match the corresponding chapters/pages in earlier editions.

2. Materials posted on the OU Desire to Learn (D2L) system: Access D2L at [http://learn.ou.edu](http://learn.ou.edu); enter your OU NetID (4+4) and password, and select course to access material. Please contact your local Site Director if you require assistance.

Note: The Follett/AP Bookstore is the Advanced Programs contractual textbook provider. Should text changes become necessary after publication of the course syllabus, Advanced Programs will facilitate text returns/refunds only for texts purchased through the Follett/AP Bookstore.

**Course Objectives:**

- To provide students with theoretical knowledge regarding the functioning of international finance including a variety of methods and models used for this purpose.
- To locate, organize, and analyze international finance data to get insightful conclusions.
- To enable students to develop necessary skills to apply the methods and models to policy making as well as to current economic debates.

**Course Outline:**

The following is a list of topics and required readings. Chapter numbers refer to the Krugman, Obstfeld and Melitz textbook.

I. Exchange Rates and Open-Economy Macroeconomics
   a. National Income Accounting and the Balance of Payments, Ch. 13 & Handout 1
   b. Exchange Rates and the Foreign Exchange Market, Ch. 14
   c. Money, Interest Rates, and Exchange Rates, Ch. 15
   d. Price Levels and the Exchange Rate in the Long Run, Ch. 16
   e. Output and the Exchange Rate in the Short Run, Ch. 17

II. International Macroeconomic Policy
   a. Fixed Exchange Rates and Foreign Exchange Intervention, Ch. 18
   b. The International Monetary System, 1870-1973, Ch. 19 & Handout 2

III. The Global Capital Market: Performance and Policy Problems
   a. Costs and Benefits of Liberalization of Financial Markets, Ch. 21 & Handout 3
   b. Developing Countries and the New Financial Order, Ch.22
   c. Developed Countries and the New Financial Order
      i. Ch.19 (pp.538-544), Ch.22 (pp.651-653)
   d. The Great Recession: Global Financial Crisis of 2008- 2012
      i. Ch.19 (pp.538-544), Ch.21 (pp.601-607) & Handout 4
      iv. Stiglitz (2011) Of the 1%, by the 1%, for the 1%, *Vanity Fair*.
   e. European Financial Crisis of 2010-2012
      i. Chapter 20, pp.572-581
Assignments, Grading and Due Dates:

Post Seminar Assignment:
Complete a term paper (5-8 pages single-spaced) on any topic dealing with international financial issues. The paper needs to use one or more concepts/models used in the class in the analysis. The paper should be submitted by email to fdemir@ou.edu. Due Date: March 10, 2013 (two weeks after class).

Grading:

This is a letter-graded course: A, B, C, D, or F.

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<thead>
<tr>
<th>Assignment</th>
<th>Due Date</th>
<th>Grading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Examination</td>
<td>Last day of class</td>
<td>3/4 of final grade</td>
</tr>
<tr>
<td>Post Seminar Paper</td>
<td>Two weeks after class</td>
<td>1/4 of final grade</td>
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</tbody>
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NOTICE: Failure to meet assignment due dates could result in a grade of I (Incomplete) and may adversely impact Tuition Assistance and/or Financial Aid.
POLICIES AND NOTICES

Attendance/Grade Policy

Attendance and participation in interaction, individual assignments, group exercises, simulations, role playing, etc. are valuable aspects of any course because much of the learning comes from discussions in class with other students. It is expected that you attend all classes and be on time except for excused emergencies.

Excused absences are given for professor mandated activities or legally required activities such as emergencies or military assignments. Unavoidable personal emergencies, including (but not limited to) serious illness; delays in getting to class because of accidents, etc.; deaths and funerals, and hazardous road conditions will be excused.

If you are obtaining financial assistance (TA, STAP, FA, VA, Scholarship, etc.) to pay all or part of your tuition cost, you must follow your funding agency/institution’s policy regarding “I” (Incomplete) grades unless the timeline is longer than what the University policy allows then you must adhere to the University policy.

Students who receive Financial Aid must resolve/complete any “I” (Incomplete) grades by the end of the term or he/she may be placed on “financial aid probation.” If the “I” grade is not resolved/completed by the end of the following term, the student’s Financial Aid may be suspended make the student ineligible for further Financial Aid.

Students are responsible for meeting the guidelines of Tuition Assistance and Veterans Assistance. See the education counselor at your local education center for a complete description of your TA or VA requirements.

Academic Honesty

Honesty is a fundamental precept in all academic activities and … [you] have a special obligation to observe the highest standards of honesty. Academic misconduct in any form is inimical to the purposes and functions of the University and is therefore unacceptable and is rigorously proscribed. Academic misconduct includes:

- cheating (using unauthorized materials, information, or study aids in any academic exercise), plagiarism, falsification of records, unauthorized possession of examinations, intimidation, and any and all other actions that may improperly affect the evaluation of a student’s academic performance or achievement; assisting others in any such act; or attempting to engage in such acts.

All acts of academic misconduct will be reported and adjudicated as prescribed by the student code of the University of Oklahoma. All students should review the “Student’s Guide to Academic Integrity” found at http://www.ou.edu/provost/integrity

Accommodation Statement

The College of Continuing Education [Advanced Programs] is committed to making its activities as accessible as possible. For accommodations on the basis of disability, please contact your OU Site Director.

Course Policies

Advanced Programs policy is to order books in paperback if available. Courses, dates, and professors are subject to change. Please check with your OU Site Director. Students should retain a copy of any assignments that are mailed to the professor for the course. Advanced Programs does not provide duplicating services or office supplies.

Copyright

Any and all course materials, syllabus, lessons, lectures, etc. are the property of professor teaching the course and the Board of Regents of the University of Oklahoma and are protected under applicable copyright.

For more information about Advanced Programs, visit our website at: http://www.goou.ou.edu/
INSTRUCTOR VITA
Firat Demir, Ph.D.

Education
- Ph.D. in Economics, University of Notre Dame, 2006.

Current Positions
- Associate Professor, Department of Economics, University of Oklahoma, 2012 – present.
- Assistant Professor, Department of Economics, University of Oklahoma, 2006 – present.
- Affiliate Faculty, School of International and Area Studies, University of Oklahoma, 2006 – present.

Frequently Taught Advanced Programs Courses
ECON 5633 International Economics - Finance

Major Areas of Teaching and Research Interest
- International Finance
- Development Economics
- Political Economy

Representative Publications and Presentations

Representative Honors and Awards Received
Biggest Influence Award for Outstanding Teaching given by Delta Sigma Pi, spring 2010.

Major Professional Affiliations
- Eastern Economic Association
- Southern Economic Association