



**EF 503**  
**International Finance and**  
**Open-Economy Macroeconomics**  
Fall 2017  
**Syllabus**

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**Teaching Assistants**

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**Lectures:** Tuesday 18:30-21:30 at IB201

**Office Hours:** Tuesday 16:00-17:00 or by appointment (NB 225A)

**Course website:** Boğaziçi University ECONFIN → Courses → [EF503](#)

**Textbook:** “International Economics: Theory and Policy” 10th Edition by Paul Krugman, Maurice Obstfeld, Marc Melitz, ISBN-10: 0133423646 (**Required**)

Macroeconomics, 8th Edition by Gregory N. Mankiw ISBN-10: 1429240024  
**(Recommended)**

(earlier editions are also fine, yet students holding the earlier versions of the book are responsible to keep track of changes in the editions.)

**Course Objectives:** The main objective of the course is to enable students to have a sound understanding of open-economy macroeconomics by studying the foundations of the modern macroeconomic theory and international economics. For this goal, we are going to analyze several well-established macroeconomic models with different features and assumptions to explore different aspects of macroeconomics. We will also look at the history and evolution of macroeconomics, and economic policy in action in order to observe how well theory fits empirics. Finally, we will investigate economic inequalities and discuss the cross-sectional facts and figures.

**Grading:** The final grade will be based on a final exam, problem sets and seminar attendance. The weights are as follows:

- Problem Sets: 15%
- Final Exams: 35%
- Seminar Attendance: 5%
- Total: 50%

**Final Exam Date:**

- December 24<sup>th</sup>, 2017, Saturday

**Attendance:** Regular attendance is expected and very strongly recommended.

**Problem Sets:** There are going to be three problem sets, all of which are going to be graded, each contributing to the 15% weight coming from problem sets. Problem sets are going to be posted online, and their due dates are going to be announced on the course web site along with problem sets. Please check course web site frequently so as not to miss deadlines.

**Communication:** Most of the course materials (except for those by the text book publisher) will be posted on the course website. E-mail is going to be used as the primary means of communication outside the classroom, and I will be sending e-mails whenever necessary to inform you on updates of the course.

**Make-up Exam Policy:** All students are required to attend the final exam. Make-up exams will be granted to those students whose excuse complies with the University policy. If you believe you are eligible to take a make-up exam, please inform me and provide the appropriate documentation as soon as possible, no later than one week (7 calendar days) after the exam, preferably before. Make-up exam requests should be directed to me in person with proper documentation (along with a clear written explanation of the reason of absence accompanied with the valid excuse documents).

**Accommodations:** Students who require special accommodations for exams must get in contact with me within the first two weeks of classes.

**Academic Integrity:** The undergraduate program of the Department of Economics is conducted within the framework of the Student Discipline Regulations of the Turkish Council of Higher Education (TCHE, Yükseköğretim Kurulu, YÖK in Turkish), and rules accepted by the Boğaziçi University Committee on Ethical Conduct.

For the student discipline regulations by the TCHE (YÖK), see (in Turkish):

<http://bit.ly/yokdisiplinyonetmeligi>

For the ethics code accepted by Boğaziçi University, see: <http://bit.ly/bounethics>

**Copyrights:** Course materials are copyrighted. Selling or distributing copies or modified copies of instructors' course materials or assisting another person or entity in selling or distributing those materials without permission is strictly prohibited.

**Tentative Outline of topics:** The following is a sketch of topics we will cover this semester – it may be modified as the course progresses, and is only *tentative*.

<b>Week</b>	<b>Required Reading</b>
Week 1	Chapter 17: Output and the Exchange Rate in the Short Run Chapter 18: Fixed Exchange Rates and Foreign Exchange Rate Intervention
Week 2	Chapter 18: Fixed Exchange Rates and Foreign Exchange Rate Intervention (cont'd) Chapter 19: International Monetary Systems: An Historical Overview
Week 3	Chapter 19: International Monetary Systems: An Historical Overview (cont'd) Chapter 20: Financial Globalization: Opportunity and Crises
Week 4	Chapter 20: Financial Globalization: Opportunity and Crises (cont'd) Chapter 21: Optimum Currency Areas and the Euro
Week 5	Chapter 21: Optimum Currency Areas and the Euro (cont'd) & Asset Bubble Formation
Week 6	Income & Wealth Inequality in the World
	<b>Final Exam on December 24<sup>th</sup>, 2017</b>