



香港中文大學  
The Chinese University of Hong Kong

## **ECON3620 INTERNATIONAL MACROECONOMICS**

### Instructor

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Office Hours: by appointment

### Teaching Assistants

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### Time (on-line)

Tuesday 1:30pm - 2:15pm

Thursday 10:30am - 12:15pm

### Course Description

The main topics of this course are: international financial markets, the determination of exchange rates, the relation between exchange rates and inflation, and monetary and fiscal policy under flexible and fixed exchange rates. This course gives students frameworks and analytical tools to think about these topics and apply them to the real world. It will also touch on a number of relevant current issues. Students should have knowledge of elementary differential calculus, and are advised to take ECON2011 and 2021 before taking this course.

### Learning Outcomes

Upon successful completion of the course, students should be able to understand some simple causal relationships between international macroeconomic events and the reasons why some policies can or cannot be used to deal with some economic problems.

### Honesty in Academic Work

Students must observe the University's policy on Honesty in Academic Work (<http://www.cuhk.edu.hk/policy/academichonesty/>).

### Readings

Main textbooks:

Krugman, Obstfeld, and Melitz, **International Economics: Theory and Policy**, 11<sup>th</sup> Edition (K)

Schmitt-Grohé (S), Uribe, and Woodford, **International Macroeconomics**, available online:

<http://www.columbia.edu/~mu2166/UIM/index.html> (S)

Supplementary reference:

**Frenstra and Taylor**, International Economics (F)

### Course Requirements

Although this course will follow KOM quite closely, some materials delivered in the lectures are not covered in it. Exercises will be explained and discussed in four tutorials. Students are expected to read the textbook chapters before class and attend all lectures and tutorials. There is no substitute for hard work.

### Assessment Scheme

60% 2 problem sets (30% each; to be submitted in weeks 6 and 12, the deadline will be announced later, NO late submission will be allowed for any reasons)

40% Final Exam (centrally scheduled by the University)

Syllabus

Topics		Required readings
1	National Income Accounting and the Balance of Payments	K 13
2	Current Account: Intertemporal Choice Approach	S 2 & 3
3	Exchange Rates and the Foreign Exchange Market: An Asset Approach	K 14
4	Money, Interest Rates, and Exchange Rates	K 15
5	Price Levels and the Exchange Rate in the Long Run	K 16
6	Output and the Exchange Rate in the Short Run	K 17
7	Fixed Exchange Rates and Foreign Exchange Intervention	K 18
8*	International Monetary Systems: An Historical Overview	K 19
9*	Financial Globalization: Opportunity and Crisis	K 20
10*	Optimum Currency Areas and the Euro	K 21

\*If time allowed