

Economics 454, Winter Semester 2023
Open Economy Macroeconomics Honors
Instructor: Prof. Santiago Camara

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Class Meets: Tuesdays – Thursdays: 11:35 – 12:55 BIRKS 203

Office Hours: Thursdays 15:00 to 17:00, at Leacock 439.

Pre-requisites: ECON 250D1/D2. Restriction: Not open to students who have taken ECON 453D1/D2.

Course Description: This course is designed to provide a comprehensive coverage of international macroeconomics topics, such as the balance of payments, nominal and real exchange rate determinations, monetary policy in open economies, benefits and costs of different exchange rate regimes, international financial crises, sovereign default crises, and the international role of the US dollar and the international spillovers of US monetary policy.

First, the course will cover the basis of modern international macroeconomic theory. This will entail the study of analytical frameworks which rely on algebra and calculus. Given the advanced nature of this class, we will cover analytical frameworks which may not be able to be solved analytically and can only be solved numerically. Certain software skills/proficiency are expected.

Second, the course aims to apply the theoretical analytical frameworks to both past and current phenomena. To this end, the course will cover the empirical analytical frameworks commonly used to study international debt sustainability.

Lastly, the course will allow students to discuss their own interests in class and pursue them in a final project. This final project will allow students to take the analytical skills developed in class and extend them and apply them in a context of the student's interest.

Required course material & readings: International Macroeconomics by Schmitt-Grohe, Uribe, and Woodford. There will also be other reading material, articles, etc. Every lecture will follow lecture notes based on the chapters of the books and upon a wide range of sources, which will be duly referenced.

Practical details & Evaluation:

- **Class Participation: 10%**
- **Country Research Paper: 20%**
- **Problem Sets: 35%**
- **Final Project: 35%**

Country Research Paper: The students must propose a country and a topic to study. Students must then prepare a 15-minute presentation to be presented in front of the class. Deadline to submit proposed country & topic is February 21st. Presentations will be carried out in class on (tentative date) March 14th. Students are encouraged to work in teams of up to 3 people (no exceptions). A typical presentation entails preparing slides and answering questions from the professor and classmates.

Problem Sets: There will be three (3) individual problem sets or take-at-home exams. The purpose of these problem sets is to test students' comprehension of the analytical models seen in class.

Final Project: The deadline to submit proposed a final project proposal topic is March 12th.

Course delivery, and classroom participation and etiquette: Participation is strongly encouraged. Feel free to ask questions over all the topics discussed in class. This is, questions over the topics presented, over the underlying mathematical tools, the logic of the models, but also on the ideology, philosophy and historical context surrounding the different theories. One of the key goals of this class is to have a dialogue on international macroeconomic topics, to question

assumptions, and bring the theory into real life applications. This course is lecture heavy; attendance is recommended.

Academic Integrity: McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures. McGill's policy on Academic Integrity can be found [here](#).

L'université McGill attache une haute importance à l'honnêteté académique. Il incombe par conséquent à tous les étudiants de comprendre ce que l'on entend par tricherie, plagiat et autres infractions académiques, ainsi que les conséquences que peuvent avoir de telles actions, selon le Code de conduite de l'étudiant et des procédures disciplinaires (pour de plus amples renseignements, veuillez consulter [le guide pour l'honnêteté académique de McGill](#)).

Language of submission: In accord with McGill University's Charter of Student Rights, students in this course have the right to submit in English or in French any written work that is to be graded. This does not apply to courses in which acquiring proficiency in a language is one of the objectives.

Conformément à la Charte des droits de l'étudiant de l'Université McGill, chaque étudiant a le droit de soumettre en français ou en anglais tout travail écrit devant être noté, sauf dans le cas des cours dont l'un des objets est la maîtrise d'une langue.