EC208.01 and EC208.02
Open Economy Macroeconomics
Spring 2011

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Course Webpage: www.econ.boun.edu.tr/hatipoglu/ec208

Office Hours: Wed 17:00~18:00 NB220

e-mail: openmac208@yahoo.com

Meeting Schedule:

<table>
<thead>
<tr>
<th>Course</th>
<th>Day</th>
<th>Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>EC208.01</td>
<td>Monday</td>
<td>13:00 - 15:00</td>
<td>NB119</td>
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<td>Wednesday</td>
<td>15:00 - 16:00</td>
<td>NB119</td>
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<tr>
<td>EC208.02</td>
<td>Monday</td>
<td>11:00 - 13:00</td>
<td>NB119</td>
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<td>Wednesday</td>
<td>16:00 - 17:00</td>
<td>NB119</td>
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Requirements: There will be some suggested assignments, one midterm exam and a final exam. Dates and weights exams are given below. It is highly recommended that you attend problem sessions.

Dates:

- Midterm: April 4, 17:00 PM 40%
- Final: TBA 50%
- Assignments and/or Quizzes 10%

Tentative Outline

Introduction (Definitions and Concepts in International Finance)
Purchasing Power Parity
Financial Markets in the Open Economy
Output and Exchange Rate Determination
- Flexible Prices (Monetary Model)
- Fixed Prices (Mundell–Fleming Model)
- Sticky Prices (Dornbusch Model)
Portfolio Balance and the Current Account
Currency Substitution
Optimum Currency Areas and Monetary Unions
Uncertainty and Financial Markets
Fixed Exchange Rates
Target Zones
Financial Crises

Some notes about grading:

There are **ABSOLUTELY** no excuses/arrangements for:

1) Missing the midterm or final without a valid doctor’s report
2) Having an outside job and related issues
3) Not being able to graduate at the end of the semester if you fail this course or get an insufficient grade
4) Having to extend your studies at Bogazici if you fail or get an insufficient grade
5) Failing to attend an exchange program abroad if you fail or get an insufficient grade.

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Plagarism of any kind will lead to a grade of F and disciplinary action.