



JOHN FELICE

**ROME
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**LOYOLA UNIVERSITY
Rome Center
Economics Department**

International Monetary Relations (ECON 324)

TR 5:15pm – 6:30pm

Spring 2025 Syllabus

I. GENERAL INFORMATION

Instructor: Marshall Langer

Office hours: By appointment (convenient times: TR after 6:30pm)

Telephone: +39 347.1763096

Email: mlanger11@gmail.com

Background: Wall Street; corporate management, economic analysis, strategic planning. MBA, Wharton School.

II. COURSE INFORMATION

1. Course Description. In this course students assess theories of international monetary relations (often termed by economists as international macroeconomics). Topics covered include international trade, monetary theory, international finance, foreign exchange markets, balance of payments (and trade deficits), capital mobility, government fiscal and monetary policies, international macroeconomic cooperation, economic crises, and the role of international institutions.

The course is divided into 4 distinct parts, as follows:

Part 1. International Macroeconomics

Part 2. Foreign Exchange

Part 3. International Trade

Part 4. Sovereign Risk Assessment

2. Learning Objectives.

- A. Develop accurate assessments of foreign economic environments.
- B. Craft analyses that illuminate macroeconomic realities affecting international monetary relations.
- C. Think more critically and more strategically globally in a business and economic context.
- D. Hone sensitivity skills required to succeed in multinational business environments.

III. LEARNING ACTIVITIES

1. Interactive class discussion. Classes are highly interactive. Instructor prompts students for response to questions posed and solicits his/her thoughts on issues discussed. Format is probing and direct. Additionally, instructor provides concrete, real-world examples to illustrate concepts. Lecture format reinforces by example appropriate methods for asking questions, gaining relevant insights, and making appropriate recommendation. (Contributes to Learning Objectives A, B, C, D)



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2. Presentation of textbook readings. Textbook and other assigned readings (assigned according to the schedule in section VII of this syllabus) present relevant topics, which are covered more depthfully in class lecture. In class discussion of readings, instructor highlights most relevant reading topics and shows by example how to present data in a stimulating way, consistent with achieving course objectives. (Contributes to Learning Objectives A, B, C)

3. Case Study and/or Article Presentation. Case studies and articles are used to further illustrate real-world examples of subject topics. For all assigned cases/articles, students should be prepared to answer questions about the case/article and be able to illustrate its subtler aspects. For select cases/articles an individual written submission is due. For select cases/articles students will be selected to make a presentation. In class discussion of case studies/articles serves to highlight analytical methods, indicating specifically, ways to discern the most relevant focal points. (Contributes to Learning Objectives A, B, C, D)

IV. ASSESSMENT

30% Midterm exam

35% Final exam

20% Group project – economic analysis

15% Class participation, quizzes, case studies/article presentation, homework

1. Exams. Exams will be composed of essay questions that test your ability to apply concepts discussed through the exam date. (Measures Learning Objectives A, B, C)

2. Case/Article Analyses. All cases/articles should be prepared for class. For select cases/articles, where indicated, an individual written submission is due and is assigned based on the schedule in section VII of this syllabus. Additionally, for select cases/articles students will be selected to make a presentation. Your grade for the presentation will reflect much new insight you teach the class (rather than repeat the facts). (Measures Learning Objectives A, B, C)

3. Group project – economic analysis. Develop and present economic analysis of assigned region from perspective of a corporate client considering business opportunities there. (Measures Learning Objectives A, B, C)

4. Quizzes. Short, in-class quizzes will test your comprehension of course materials to date. (Measures Learning Objectives A, B, C)

5. Class Participation. You will be graded on the quality of, and demonstrated insight of, your in-class comments, including comments related to answers to assigned problems. (Measures Learning Objectives A, B, C, D)

6. Attendance Policy. Please note that course attendance is based on prompt class attendance, preparation and active participation in class discussions. In accordance with the JFRC mission to promote a higher level of academic rigor, all courses adhere to the following absence policy. Prompt attendance, preparation and active participation in course discussions are expected from every student.

- For all classes meeting once a week, students cannot incur more than one unexcused absence.
- For all classes meeting twice a week, students cannot incur more than two unexcused absences.
- For all classes meeting three times a week, students cannot incur more than two unexcused absences.

This course meets twice a week, thus a total of 2 unexcused absence(s) will be permitted. Unexcused absences beyond these will result in a lowering of your final grade.

Do not attend class if you are ill.

6. Academic Honesty. Plagiarism and other forms of academic dishonesty are unacceptable at the JFRC and will be dealt with in accordance with Loyola University Chicago's guidelines. Please familiarize yourself with Loyola's standards here: http://www.luc.edu/academics/catalog/undergrad/reg_academicintegrity.shtml. You are responsible to comply with the LUC Student Handbook.

7. Late or Missed Assignments. Late or missed assignments will not be accepted for grading without the authorization of the instructor.

8. Accessibility Accommodations. Students registered with the Student Accessibility Center requiring academic accommodations should contact the Office of the Dean at the John Felice Rome Center, the first week of classes.

9. Course Grading Scale.

Course Grading Scale	
Grade	Total Points
A	93.0 - 100.0
A-	90.0 - 92.99
B+	87.0 - 89.99
B	83.0 - 86.99
B-	80.0 - 82.99
C+	77.0 - 79.99
C	73.0 - 76.99
C-	70.0 - 72.99
D+	67.0 - 69.99
D	60.0 - 66.99
F	Less than 60



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V. REQUIRED COURSE READING MATERIAL

1. Required reading:

Code	Title
<i>Obtained by student:</i>	
KR8	Krugman, Obstfeld, <u>International Economics: Theory and Policy, 8th Edition</u> , Pearson, 2008
	OR
KR9	Krugman, Obstfeld, <u>International Economics: Theory and Policy, 9th Edition</u> , Pearson, 2012
	Available on Amazon @ https://www.amazon.com/International-Economics-Theory-Policy-9th/dp/0132146657/ref=sr_1_2?ie=UTF8&qid=1484579874&sr=8-2&keywords=krugman+international+economics
<i>Distributed electronically by instructor:</i>	
EM	Hooke, <u>Emerging Markets, A Practical Guide</u> , Wiley, 2001
IF	Madura, <u>International Financial Management, 7th Edition</u> , Thomson South-Western, 2003
IO	Adler, <u>International Dimensions of Organizational Behavior, 4th Edition</u> , Wadsworth, 1992
MG	Hill, <u>International Business, Managing Globalization</u> , Sage, 2009
NE	Lewicki, Litterer, <u>Negotiation</u> , Irwin, 1993
--	Select articles and cases as detailed in Section VII

VI. SUGGESTED ADDITIONAL READINGS

1. Books.

Hill, Think and Grow Rich, St. Martin's Press, 2001

Friedman, The World is Flat, Picador, 2007

Samuelson, Economics, McGraw-Hill, 2004

Rolfe, Monkey Business, Warner Books, 2001

2. Internet Sites.

<http://stats.bls.gov> for US Bureau of Labor Statistics

www.sec.gov for public company filings (all U.S. public plus foreign public with U.S. listings)

www.hoovers.com for summary company info, comparables search, etc.

www.statsoft.com/textbook/stathome - for straightforward explanations of statistical terms and concepts

<http://www-personal.umich.edu/~alandear/glossary/> - for terms

http://en.m.wikipedia.org/wiki/Fractional_reserve_banking

<http://www.youtube.com/watch?v=jFnH9MCdpLo> - fed operations video

<https://www.youtube.com/watch?v=NhgBpzmqxYA> - Charlene Barshefsky (USA trade rep)

3. Periodicals.

Business Week, Harvard Business Review, Sloan Management Review, The Economist



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VII. CLASS SCHEDULE

Please note: You are not required to make a written submission unless instructed to do so. Reading should be completed prior to class. Reading for both KR books (8th and 9th edition) are listed. Read the assignment for your edition.

See last page for instructions on suggested textbook Q&A.

#	Date	Instruction / Activity	Topic / Written Assignment Due (if any)	Reading Assignment (Read for assigned class)
1	T 01/21	Introduction	Course introduction.	--
INTERNATIONAL MACROECONOMICS				
2	R 01/23	Lecture	National income accounting. ----- Basics of economics: https://www.youtube.com/watch?v=PHe0bXAluk0	KR8: C12 p288-p301 KR9: C13 p293-306
3	T 01/28	Lecture ----- Suggested HW	National income accounting – cont’d. ----- See related Q&A in KR8/9: Chapter 12/13 review in Exam review folder	--
4	R 01/30	Lecture ----- Suggested HW	Balance of payments. ----- See related Q&A in KR8/9: Chapter 12/13 review in Exam review folder	KR8: C12 p301-p308 KR9: C13 p306-p313
5	T 02/04	Lecture ----- Articles ----- Films	Deficits ----- See readings at links below or posted in the Reading/Articles folder on MyDrive: 1. https://pie.com/commentary/testimonies/currency-misalignments-and-us-economy (Currency misalignments) 2. Bernanke article posted on MyDrive (Reading/Articles folder) <u>Optional reading</u> 3. http://www.dbresearch.de/PROD/DBR_INTERNET_DE-PROD/PROD000000000180032.pdf (copy and paste this link – this reading is optional) ----- Stagflation - see reading at: http://en.wikipedia.org/wiki/Stagflation ----- Global Flow of Funds (Optional) IMF/World Bank article (Optional) ----- Life and Debt (Globalization and the Jamaican Economy) IMF: https://www.youtube.com/watch?v=MhrC2_Hak08 World Bank: https://www.youtube.com/watch?v=F59fF-xu-by ----- Milton Friedman on global economics See: http://www.youtube.com/watch?v=jOO4kPSaD4Y	See websites (articles for this class are to clarify, not tested in particular) ----- p3-6 Posted with class notes included



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#	Date	Instruction / Activity	Topic / Written Assignment Due (if any)	Reading Assignment (Read for assigned class)
6	R 02/06	Lecture ----- Films	Macroeconomic policy and determinants of aggregate demand. ----- On China demand: -Deng Xiaoping film - https://www.youtube.com/watch?v=lw7Q1LiNXig	KR8: C16 p420-p425 KR9: C17 p421-p426
7	T 02/11	Lecture ----- Suggested HW	Macroeconomic policy coordination. ----- See related Q&A in KR8/9: Chapter 16/17 review in Exam review folder	KR8: C16 p437-p441 box p450 KR9: C17 p437-p441 (top) box p450 <u>Optional reading</u> KR8: C14 p359-p362 (C14 optional for additional clarity on exchange rates) KR9: C15 p362-p365
8	R 02/13	Review	Review concepts to date. ----- Quiz	--
FOREIGN EXCHANGE				
<i>Currency Options</i>				
9	T 02/18	Lecture ----- Excel file ----- Suggested HW	Interpreting foreign exchange and option quotations. ----- Modeling foreign currency effect. See on currency options: https://www.youtube.com/watch?v=vw8ECjQwhbQ ----- Currency futures and options.xls ----- See Q&A in Currency options, currency cross rates table (spreadsheets) review in Exam review folder and Q&A in xls file titled Currency futures and opotiopns.xls	IF: C3 p69-p77 Excel currency cross rates handout posted ----- Currency options table (pdf) Excel derivatives (futures and options) <u>Optional reading</u> IF: C5 excerpts <u>Homework</u> See hw sheet 3 and 4 in Excel file
10	R 02/20	Lecture ----- Article ----- Videos ----- Suggested HW	Central bank (gov't) operations on money supply; mechanisms of fixed exchange rates. ----- Currency crises See: Fed today: http://www.youtube.com/watch?v=jFnH9MCdpLo <i>Money for Nothing</i> (49-1.02 min): https://www.youtube.com/watch?v=Bu8fi-f6DU&t=3734s ----- See Q&A in KR8/9: Chapter 17/18 review in Exam review folder	KR8: C17 p462-p466 KR9: C18 p465-p469 <u>Optional reading</u> IF: Chapter 6 ----- Posted online



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#	Date	Instruction / Activity	Topic / Written Assignment Due (if any)	Reading Assignment (Read for assigned class)
Government Actions on Foreign Currency / Currency Interconnectedness and Foreign Exchange				
11	T 02/25	Lecture ----- Film ----- Suggested HW	Exchange rate determination. Relationship among inflation, money supply, interest rates, and exchange rates. ----- European debt crisis: https://www.youtube.com/watch?v=C8xAXJx9WJ8 ----- See Q&A in KR8/9: Chapter 19 review in Exam review folder	KR8: C19 p544-p551 KR9: C19 p537-p544 <i>Optional reading</i> IF: C4 p107-p118--
12	R 02/27	Review ----- Guest Lecture	Midterm Exam review 1. See files by chapter and the general review file in Exam review folder. ----- Francesco Di Tommaso, Economist Topic: Econometrics	--
13	T 03/04	Review ----- Guest Lecture	Midterm Exam review 2. See files by chapter and the general review file in Exam review folder. ----- Van Jackson, Economic consultant Topic: Applications in economics	--
14	W 03/05 8:00- 9:00pm	Guest Lecture Zoom, required	Edoardo Canzonieri, KKR Topic: Economics of global M&A Zoom link: https://us02web.zoom.us/j/89854097909	--
15	R 03/06	Exam	Midterm Exam.	--
--	T 03/11	No Class	--	--
--	R 03/13	No Class	--	--
INTERNATIONAL TRADE				
Trade Theory				
16	T 03/18	Lecture ----- Film ----- Suggested HW	Comparative advantage ----- EU history ----- See Q&A in KR8/9: Chapter 3 review in Exam review folder	KR8: C3 p28-p29, p36-p51 KR9: C3 p25-p26, p34-p47 <i>Optional reading</i> IF: C19 (posted with class notes included)



#	Date	Instruction / Activity	Topic / Written Assignment Due (if any)	Reading Assignment (Read for assigned class)
Trade Policy				
17	R 03/20	Lecture ----- Suggested HW	Instruments of trade policy. ----- See Q&A in KR8/9: Chapter 8/9 review in Exam review folder See HW in xls file titled IMR-Answer to KR-C8/KR9-C9 EOC questions #7-w hw.xls	KR8: C8 p182-p196 KR9: C9 p192-p200 <u>Optional reading</u> KR9: C9 p202-207
18	T 03/25	Lecture	Instruments of trade policy – cont'd	--
Regional Trade/Negotiations				
19	R 03/27	Lecture ----- Case study ----- Suggested HW	Purchasing power parity. See specifically chart p399 (KR9) Interest rate parity. See: http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal) http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP) ----- Charlene Barshefsky (Optional) ----- See Q&A in KR8/9: Chapter 15/16 review in Exam review folder	KR8: C15 p384-p386 p394-p401 p388-p389 KR9: C16 p386-p388 p395-p397 (bot) ----- Posted online
20	T 04/01	Lecture	International negotiations.	NE: Negotiations IO: Int'l negotiations MG: Int'l negotiations
SOVEREIGN RISK ASSESSMENT				
Economics of Emerging Markets and EM Crises				
21	R 04/03	Lecture ----- Film Clip	Developing country economic crises. ----- Emerging market characteristics/specific economic issues (optional) ----- Jeffrey Sachs in Bolivia: https://www.youtube.com/watch?v=ittBp7z-TbM	KR8: C22 p625-p637 Table 22.2 p637-p646 KR9: C22 p623-p636 Table 22.2 p636-p644 <u>Optional reading</u> EM: C2,3 p26-p44 p46-p54
22	T 04/08	Lecture ----- Suggested HW	Developing country economics – cont'd ----- See Q&A in KR8/9: Chapter 22 and sovereign debt review in Exam review folder	--
Country analysis				
23	R 04/10	Lecture ----- Articles ----- Suggested HW	Country risk assessment. Measuring exposure. ISTAT Italy statistics ----- EM Sovereign Debt (through section 2.1) See also Nigeria \$ denominated bond (page 1 of prospectus) ----- Who Sank, or Swam, in Choppy Currents of a World Cash Ocean ----- See Q&A in IF: Chapter 16 Country risk; Econometric forecast; Negotiations	IF: C16 p476-p482 Posted online <u>Optional reading</u> IF: C10 p303-p305 p311-p313 p319-p323 ----- See article See posted online ----- Optional reading



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#	Date	Instruction / Activity	Topic / Written Assignment Due (if any)	Reading Assignment (Read for assigned class)
24	T 04/15	Excel ----- Suggested HW	Excel based forecasting. See xls file titled Capacity plan/Demand forecast, lookup tables, if statement - w hw (simplified).xls ----- See Q&A in sheet 2 of xls file Capacity plan/Demand forecast, lookup tables, if statement - w hw (simplified).xls	<u>Optional readings</u> Excel basics 1 & 2
25	R 04/17	Excel ----- Suggested HW	Econometric forecasting See xls file titled Econometric forecast variables (simple version)-w hw.xlsx ----- See Q&A in sheet 2 of xls file Econometric forecast variables (simple version)-w hw.xlsx	--
26	T 04/22	Presentations	Student presentations.	--
27	R 04/24	Review	Final Exam review.	--
28	TBD	Exam	Final Exam.	--

EOC problems

Suggested end of chapter problems - you are not required to submit answers to these questions. They are intended to help clarify the concepts. Answers are posted online. (Bolded may be used in class).

KR book*

KR8-C12 (KR9-C13) – 2 (national income accounting), 3, 5, **8**, 9 (BOP)

KR8-C16 (KR9-C17) – 3, 5, 6, extra: 14, 16

KR8-C17 (KR9-C18) – **3**, 5, 9, **13**, 16, **20** (last ones good for non FX part of balance sheet)

KR8-C19 – 3, 4, 7, **8**, 12

KR8-C3 – 4, 6, 7, 8

KR8-C8 (KR9-C9) – 3, 5, 7, 8, 10

KR8-C15 (KR9-C16) – 1, 3, 13, 14, **15** (on nominal and real interest rates)

KR8-C22 – 3–8, 11, 12

IF7 book

IF7-C3 – 3-7, 3-17

IF7-C16 – 16-9, 16-12

(*) For KR book EOC problems only use KR8 (8th editions) of KR textbook. Q&A are same for both editions. See Q&A posted on in Reading/End of chapter review problems and solutions on MyDrive website (see syllabus section V-2 for logon).