



THE UNIVERSITY OF THE WEST INDIES  
ST. AUGUSTINE, TRINIDAD AND TOBAGO, WEST INDIES

## 1 GENERAL INFORMATION SUMMARY

<b>Course title</b>	INTERNATIONAL FINANCE
<b>Course code</b>	ECON 3007
<b>Course proposer</b>	DEPARTMENT OF ECONOMICS
<b>Course type</b>	ELECTIVE
<b>Level</b>	YEAR 3
<b>Semester in which course will be offered:</b>	SEMESTER 2
<b>Course Provider</b>	DEPARTMENT OF ECONOMICS
<b>Credits</b>	3
<b>Pre-requisites</b>	ECON 2002, ECON 2003
<b>Teaching Methods</b>	<ul style="list-style-type: none"><li>• Lectures</li><li>• Tutorials</li></ul>
<b>Estimated Study Hours</b>	Hours/week: <ul style="list-style-type: none"><li>• Lectures: 2</li><li>• Tutorials: 1</li><li>• Independent Study (reading, revising, etc.): 15</li><li>• Online: 15</li></ul>
<b>Total no. of assessments</b>	2
<b>Instructor information</b>	Name of instructor(s): Dr. Roger Hosein, Ms. Rebecca Gookool Office address and phone: Room 218 Social Sciences E-mail address: <a href="mailto:Roger.Hosein@sta.uwi.edu">Roger.Hosein@sta.uwi.edu</a> Phone Contact: 662-2002 ext 83041 Office hours: To be announced Communication policy – The preferred method of communication is via email

## **2 COURSE OVERVIEW**

### **2.1 Course Description**

This course examines the basic theories and concepts of international finance and open economy macroeconomics. The materials will be delivered via a series of face to face lectures and supported by structured tutorials. Topics include, foreign exchange market, exchange rate determination, balance of payments, interest and exchange rate arbitrage, speculation and hedging. Macroeconomic policy dynamic under fixed and flexible exchange rates in an open economy will also be discussed. The course will be assessed via an in-course mid-term and a final examination. The mid-term assessment will account for 20% of the overall course grade.

International monetary and financial theory is a course that is no doubt aligned to the Department's mission of delivering quality teaching of the economics of development for small island states as it focuses the case study aspect of the course on such economies. Even further than this it is expected that the mode of the delivery of the course material would allow for healthy discussions on region specific issues as it applies to the course.

### **2.2 Rationale**

This course is designed to introduce students to the macroeconomic workings of the monetary and financial systems of an economy by exposing them to the practical interaction of theory via the case studies discussed in the classroom. Indeed such a course which is regional in scope is practical and useful to young economists in developing their knowledge base of the region.

This is a third year undergraduate course and is geared to those students who have a general interest and affinity for international economics.

### **2.3 Aims/Goals**

To equip students with an adequate set of tools; theoretical and practical to understand international economics especially as it relates to Caribbean economies.

### **2.4 Learning Outcomes/Objectives**

At the end of this course, the students will be able to:

1. Demonstrate an appreciation for international economics issues as it affects the Caribbean development.
2. Demonstrate an appreciation for discussions on finance and trade related challenges facing the Caribbean region.

## 2.5 Learning Outcomes Guide

<b>Upon successful completion of ECON 3007, students will be able to:</b>	<b>Cognitive Domain</b>	<b>Psychomotor Domain</b>	<b>Affective Domain</b>
Demonstrate an appreciation for international economics issues as it affects the Caribbean development.	Application Analysis	Articulation	Valuing
Demonstrate an appreciation for discussions on finance and trade related challenges facing the Caribbean region.	Application Analysis	Articulation	Valuing

## 2.6 Course-to-Programme Learning Outcomes Checklist

<b>Programme Level Learning Outcomes At the end of the programme students will be able to:</b>	<b>LOs applicable to Course ECON 3007</b>
<b>Knowledge Level</b>	Students will be able to recall and reproduce the material they have been exposed to.
<b>Skill/Competence Level</b>	Students will be able to interpret the material they have been exposed to.
<b>Professional Competence/Attitude/Personal Characteristics/Affect</b>	Students will be able to apply the theories to specific case studies and current Caribbean realities.

## 3 COURSE ASSESSMENT

### LINKAGE OF ASSESSMENT METHODS TO LEARNING OUTCOMES

<b>Assessment Method</b>	<b>Learning Outcomes</b>		<b>Weighting %</b>	<b>Assessment Description</b>
	<b>LO1</b>	<b>LO2</b>		
Coursework project	✓	✓	25 %	Students will be required to undertake a series of short answer questions which apply to local and regional issues
Final Examination Essays	✓	✓	75%	Students will be required to sit a final exam which will cover the entire content of the course; number of questions to be determined by lecturer.

## Coursework Assessment

1. Discuss 5 potential negative implications of the termination of the Sandals project for the economy of Tobago.

Due 8<sup>th</sup> February 2019

2. Discuss 5 potential implications of the closure of the Petrotrin refinery for T&T's Balance of Payments position.

Due 22<sup>nd</sup> February 2019

3. Discuss 5 potential implications for the T&T economy of Guyana's recent oil discoveries and plans for commercialization of the same by 2020.

Due 8<sup>th</sup> March 2019

4. What is an internal devaluation? What are the economic consequences of an internal devaluation? Use the T&T economy over the period 2010 to present as the case study.

Due 22<sup>nd</sup> March 2019

5. Does the Phillips curve logic hold in the T&T economy over any of the defined time periods; 2000-2018, 2000-2008, 2009-2018?

Due 12<sup>th</sup> April 2019

## Guidelines for submission

Font: Times New Roman, pitch 12

Line Spacing: Single Line Spacing

## 4 TEACHING METHODS

Method	Description
Face-to-Face Lectures	The main mode of teaching will be via face-to-face lectures. Cases and group discussions will also be used. Short answer questions will be used as an in-course assessment mode.
Tutorials	Tutorial sessions provide further clarification on course content

## 5 COURSE CALENDAR

Topic	Reading	Week
<b>Review of open economy macroeconomics</b>	The World Economy; Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001) Chapter 14, 19 pgs 395-421, 560-596 International Economics 4 <sup>th</sup> ed; Alan Winters (1991) chapters 18, 19, 24, pgs 245-268, 269-288 343-259	2

<b>Review of Balance of Payments</b>	The World Economy; Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001) Chapter 13 pgs 367-394. The International Economy 3 <sup>rd</sup> ed Kenen P. B (1994) Chapters 12, 13,14, (pgs 301-375). International Economics 4 <sup>th</sup> ed; Alan Winters (1991) chapter 17, 237-253.	3
<b>The Markets for Currencies</b>	The World Economy: Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001), Chapter 12 pgs 336-365.	4
<b>International Financial Markets</b>	The World Economy; Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001) Chapter 20 pgs 597-635	5
<b>Exchange Rate Determination</b>	International Economics 4 <sup>th</sup> ed; Alan Winters (1991) chapters 22, 23, 26 pgs 312-342, 374-394	6
<b>Inflation, Interest Rates and Exchange Rates</b>	The World Economy; Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001) Chapter 18 pgs 529-531 The International Economy 3 <sup>rd</sup> ed Kenen P. B (1994) Chapters 15,16, (pgs 376-398)	8
<b>Macroeconomic Policy with Fixed Exchange Rates</b>	The World Economy; Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001) Chapter 16 pgs 465-500 Fleming J. M. 'Domestic Financial Policies under Fixed and Floating exchange Rates' IMF Staff Papers 9 (November 1962) 369-380	9
<b>Macroeconomic Policy with Flexible Exchange Rates</b>	The World Economy; Trade and Finance 6 <sup>th</sup> ed; Yarbrough and Yarbrough (2001) Chapter 17 pgs 500-528 Fleming J. M. 'Domestic Financial Policies under Fixed and Floating exchange Rates' IMF Staff Papers 9 (November 1962) 369-380	10
<b>Aggregate demand and supply in the Open Economy</b>	International Economics: Appleyard, Field and Cobb 5 <sup>th</sup> ed.: Chapters 25-27 pgs 615-690. The World Economy; Trade and Finance 7 <sup>th</sup> ed; Yarbrough and Yarbrough (2006) Chapter 19 pgs 620-657	11
<b>Macroeconomics of development</b>	The World Economy; Trade and Finance 7 <sup>th</sup> ed; Yarbrough and Yarbrough (2006) Chapter 21 pgs 705-734	12
<b>Review and recap</b>		13

## 6 READINGS/RESOURCES - ONLINE AND PRINT

### Required Text:

The World Economy; Trade and Finance 6<sup>th</sup> ed; Yarbrough and Yarbrough (2001)

Trade Investment and Development in the Contemporary Caribbean  
Bhoendradatt Tewarie and Roger Hosein, Ian Randall Publishers, (2007).

### Supplemental Texts

The International Economy 3<sup>rd</sup> ed Kenen P. B (1994)

International Economics; Theory and Practice. Krugman P. R, Obstfeld , M (1994).

International Economics 4<sup>th</sup> ed; Alan Winters (1991)

### Other

Readings/Lecture notes will be provided to the class

**7 POLICIES**

**ADDITIONAL INFORMATION**

19 “Any candidate who has been absent from the University for a prolonged period during the teaching of a particular course for any reason other than illness or whose attendance at prescribed lectures, classes, ... tutorials, ... has been unsatisfactory or who has failed to submit essays or other exercises set by his/her teachers, may be debarred by the relevant Academic Board, on the recommendation of the relevant Faculty Board, from taking any University examinations. The procedures to be used shall be prescribed in Faculty Regulations.”

“97. (i) Cheating shall constitute a major offence under these regulations.  
(ii) Cheating is any attempt to benefit one’s self or another by deceit or fraud.  
(iii) Plagiarism is a form of cheating.  
(iv) Plagiarism is the unauthorized and/ or unacknowledged use of another person’s intellectual effort and creations howsoever recorded, including whether formally published or in manuscript or in typescript or other printed or electronically presented form and includes taking passages, ideas or structures from another work or author without proper and unequivocal attribution of such source(s), using the conventions for attributions or citing used in this University.

103. (i) If any candidate is suspected of cheating, or attempting to cheat, the circumstances shall be reported in writing to the Campus Registrar. The Campus Registrar shall refer the matter to the Chairman of the Campus Committee on Examinations. If the Chairman so decides, the Committee shall invite the candidate for an interview and shall conduct an investigation. If the candidate is found guilty of cheating or attempting to cheat, the Committee shall disqualify the candidate from the examination in the course concerned, and may also disqualify him/her from all examinations taken in that examination session; and may also disqualify him/her from all further examinations of the University, for any period of time, and may impose a fine not exceeding Bds\$300.00 or J\$5000.00 or TT\$900.00 or US\$150.00 (according to campus). If the candidate fails to attend and does not offer a satisfactory excuse prior to the hearing, the Committee may hear the case in the candidate’s absence.”

- **Attendance policy**

In accordance with University of the West Indies General Examination Regulations and Faculty of Social Sciences Regulations, students who attain less than 75% of lecture or tutorial attendance may be debarred from writing the final examination.

- **Grading System**

GRADE	GPA	MARKS %
A+	4.3	90-100
A	4.0	80-89
A-	3.7	75-79

B+	3.3	70-74
B	3.0	65-69
B-	2.7	60-64
C+	2.3	65-59
C	2.0	50-54
F1	1.7	45-49
F2	1.3	40-44
F3	0	0-39

**January 2019**