

## Syllabus

This course develops models for analyzing the determinants of international capital flows, trade imbalances, and exchange rates, aimed at graduate students in economics. We will explore key topics in international macroeconomics, including the implications of fixed and flexible exchange rates in models with nominal rigidities, the interactions between monetary and fiscal policy, and the dynamics of balance of payments crises. While the models align with current research literature, we will simplify our approach by focusing on a two-period framework to enhance understanding and application.

**Text.** The textbook is “International Macroeconomics: A Modern Approach” by Schmitt-Grohe, Uribe, and Woodford (Princeton University Press). I will structure my lectures around the material in this textbook.

**Class.** Lectures will be held on Mondays/Wednesdays from 11:00am–12:30pm in BRB 1.118. Regular attendance at all class meetings is expected. However, you do not need to notify me if you miss a class.

**Prerequisites.** This is a class for MA students that relies on optimization techniques. Having taken intermediate macroeconomics at the undergraduate level will be helpful, but this is not strictly necessary for success in this class.

**Grading.** Grades will be determined by problem sets and exams. There will be *at least* four problem sets, which, in total, will account for 20% of your final grade. There will be two exams: one midterm and one final exam. The midterm accounts for 35% of your final grade. The *cumulative* final exam accounts for 45% of your final grade. Final letter grades for the class will be curved per department guidelines.

**Exam Dates.** The midterm will be on Wednesday, October 14 in class; the final exam is currently scheduled for Friday, December 11, 8:00–10:00am.

It is possible that the final exam date/time change will change. You will be notified on Canvas and in class if this change occurs.

**Communication.** Contact me by email (trenton.herriford@austin.utexas.edu). You should usually expect a response in one business day. Please do not use Canvas messaging. For questions about content, I will ask that you use office hours and not email to ask these.

**Canvas Site.** <https://utexas.instructure.com>

**Longhorn Textbook Access.** The materials for this class are available through the Longhorn Textbook Access (LTA) program, an initiative between UT Austin, The University Co-op and textbook publishers to significantly reduce the cost of digital course materials for students. You are automatically opted into the program but can easily opt-out (and back in) via Canvas through the 12th class day (September 9). To opt out, simply press the “My Textbooks” link in Canvas and then press the “Opt Out” button on the material. You will be billed for your LTA material after the 5th class day through your “What I Owe” page but still have through the 12th class day to opt out. You must pay for your LTA materials through the What I Owe page by the 20th class day (September 21). If you do not pay by the 20th class day, you will lose access to the materials after the 20th class day, and your charge will be removed. More information is available at <https://www.universitycoop.com/longhorn-textbook-access>. Questions about LTA may be sent to [LTAHelp@universitycoop.com](mailto:LTAHelp@universitycoop.com).

**Accommodations.** If you are a student with a disability or think you may have a disability and need accommodations, please contact Disability & Access (D&A). You may refer to D&A’s website for contact and more information: <https://disability.utexas.edu>. If you are already registered with D&A, please deliver your accommodation letter to me as early as possible in the semester. Please note that if you have approved accommodations, per D&A’s guidelines, your accommodations still do not go into effect until *after* you have discussed these accommodations with me, so please do this as soon as you can.

**Class Recording Statement.** HOP 2-9970 prohibits students from recording class instruction (audio or video) unless a student obtains the instructor’s permission or Disability & Access has approved audio recording as an accommodation.

**AI Policy.** The University asks that the following statement be included on this syllabus: “In accordance with the University’s Institutional Rules on Student Services and Activities, Chapter 11, students accept the responsibility to always uphold academic integrity and an honor code reflective of a scholarly community devoted to academic and personal success. All members of the University community are fully accountable and responsible for any output they produce as part of academic work. They are also responsible for following the guidance specified in the Texas Statement on Academic Integrity and avoiding prohibited uses of generative AI tools outlined in the Information Security Office’s guidance on Acceptable Use of Generative AI Tools.”

In this course, generative AI use is “prohibited”. Specifically, “prohibited” in this class means that you are not permitted to use generative AI to provide your answers for assignments. (Exams are taken in person without access to the internet.)

**Title IX Reporting.** I am a Title IX mandatory reporter, required to report any information to the Title IX Office regarding sexual harassment, sexual assault, dating violence, and stalking that is

disclosed to me (including, but not limited to, in writing assignments, class discussions, emails, or one-on-one conversations). If you would like to speak with someone who can provide support or remedies without making an official report to the University, please email [advocate@austin.utexas.edu](mailto:advocate@austin.utexas.edu).

**University Policies and Resources for Students Canvas.** For those interested, the University asks that I provide the following link, which leads to a Canvas course detailing resources available to you at the University: <https://utexas.instructure.com/enroll/TP964H>. Completion of this is *not* required for this course, however.

## **Tentative Course Outline**

### **Topics**

### **Reference**

Introduction and the Balance of Payments

Chapters 1 and 2

Determinants of the Current Account

Chapters 3 and 5

The Real Exchange Rate

Chapters 9 and 10

International Capital Mobility

Chapters 11 and 12

Monetary Policy and Exchange Rates

Chapters 13, 14, and 15

*Note:* Specific material covered may differ somewhat from this outline depending on time, and we may ultimately go a little faster or slower than suggested by this schedule. Additionally, I may choose to cover additional material from the textbook depending on how the class is progressing.