CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS

NEW COURSE PROPOSAL

PROGRAM AREA __BUSINESS AND ECONOMICS_____

1. **Catalog Description of the Course.** *[Include the course prefix, number, full title, and units. Provide a course narrative including prerequisites and corequisites. If any of the following apply, include in the description: Repeatability (May be repeated to a maximum of ___ units); time distribution (Lecture ___ hours, laboratory ___ hours); non-traditional grading system (Graded CR/NC, ABC/NC). Follow accepted catalog format.]*

ECON 472 INTERNATIONAL MACROECONOMICS (3)
Three hours lecture per week.
Prerequisite: ECON 311 or 320
Macroeconomic analysis of the open economy, the impact of stabilization policies in a global economy, the role of the balance of payments, and the international monetary system. Topics include balance of payments accounts, spot-forward exchange rates, interest rate arbitrage, purchasing-power parity, exchange rate determination and macroeconomic policy in an open economy.

2. **Mode of Instruction.**

	Units	**Hours per Unit**	**Benchmark Enrollment**
Lecture	____3____	____1____	____25____
Seminar	_____	_____	_____
Laboratory	_____	_____	_____
Activity	_____	_____	_____

3. **Justification and Learning Objectives for the Course.** (Indicate whether required or elective, and whether it meets University Writing, and/or Language requirements) *[Use as much space as necessary]*

This is an elective course for the Bachelor of Science program in Business and for the minor in Economics. An understanding of the international macroeconomy is essential for students of business and economics. This course will provide business and economics students with the knowledge, skills, and abilities to understand alternative exchange rate systems, factors that cause exchange-rate fluctuations, and the determinants of a country's balance of trade. The course will examine the consequences of balance of payments disequilibrium for national income and prices, as well as the international transmission of inflation and unemployment. The course will also address the macroeconomic implications of international financial markets, and international economic policy coordination.

Learning Objectives:
Students who successfully complete this course will be able to:

- describe various exchange rate theories and forecast foreign exchange rates
- predict the consequences of balance of payments disequilibrium on the national economy
- describe the emergence of international financial and currency crises
- evaluate the costs and benefits of alternative exchange rate policies
- evaluate the costs and benefits of international economic policy coordination

4. **Is this a General Education Course YES** ℕ𝕆
If Yes, indicate GE category:

A (English Language, Communication, Critical Thinking)	
B (Mathematics & Sciences)	
C (Fine Arts, Literature, Languages & Cultures)	
D (Social Perspectives)	
E (Human Psychological and Physiological Perspectives)	

5. Course Content in Outline Form. *[Be as brief as possible, but use as much space as necessary]*

I. Exchange Rates and Open-Economy Macroeconomics
1: The Balance of Payments Accounts
2: The Foreign Exchange Market and Trade: Elasticities
3: National Income and the Trade Balance
4: Spending and the Exchange Rate in the Keynesian Model
5: The Money Supply, the Price Level, and the Balance of Payments
6: Fixed Exchange Rates and Foreign Exchange Intervention
7: Exchange Rate Forecasting and Risk

II. International Financial Markets and their Macroeconomic Implications
1: The International Monetary System, 1870-1973
2: The Globalization of Financial Markets: Performance and Policy Problems
2: Macroeconomic Policy and Coordination Under Modern Financial Market Conditions
3: Crises in Emerging Markets
4: Interdependence and Policy Coordination
5: Supply and Inflation

6. References. *[Provide 3 - 5 references on which this course is based and/or support it.]*
Dennis R. Appleyard, Alfred J. Field, International Economics, 4th edition, 2001, McGraw-Hill.
Richard E. Caves, Jeffrey A. Frankel, and Ronald W. Jones, World Trade and Payments: An Introduction, 9th edition, 2002, Addison-Wesley.
Paul R. Krugman and Maurice Obstfeld, International Economics: Theory and Policy, 6th edition, 2003, Addison Wesley.
W. Charles Sawyer and Richard L. Sprinkle, International Economics, 2003, Prentice Hall
Beth V. Yarbrough & Robert M. Yarbrough, The World Economy, 5th edition, 2002, Addison-Wesley

7. List Faculty Qualified to Teach This Course.
Dr. Dennis Muraoka
Dr. Paul Rivera
Dr. Ashish Vaidya

8. Frequency.
a. Projected semesters to be offered: Fall _1____ Spring _1____ Summer __1___

9. New Resources Required.
a. Computer (data processing), audio visual, broadcasting needs, other equipment
b. Library needs
c. Facility/space needs

None

10. Consultation.
Attach consultation sheet from all program areas, Library, and others (if necessary)

11. If this new course will alter any degree, credential, certificate, or minor in your program, attach a program modification.

__Ashish Vaidya_____
Proposer of Course Date