This course examines how the standard macroeconomic models that are used in industrial countries can be modified to help understand the macroeconomic experience of emerging and developing economies. The course covers topics including fiscal policy, inflation targeting, capital flows, and institutional reforms.

**Course Books:**


**Grading Policy:**

Your grade will be based on the following:

Three in-class tests. The first two are worth 25 points each. The third is worth 40 points. The tests will cover all lectures, material in the textbook, and class discussions of current events. Four problem sets are worth 2.5 points each. Problem sets are due at the start of class. Late problem sets are worth 1 point.

Please note the test dates:

**Wednesday January 30 (3:30-4:20 pm), Wednesday February 20 (3:30-4:20 pm), and Wednesday March 13 (3:30-5:20 pm).**

If you miss either of the first two tests due to a documented illness or emergency, your third exam will include additional questions from earlier material in the course and will be worth 65 percent of your grade (you will be given extra time to answer the additional material). If you miss both of the first two exams or the third exam for any reason, you will be given an incomplete for the course.

**Course Website:**

https://catalyst.uw.edu/workspace/plbrock/35227/

The website will have the syllabus, problem sets, and current event articles.
Course Schedule

1. **Macro Modeling for Emerging Economies**

   Class notes on Traded/Nontraded Model


2. **Emerging Market Linkages to OECD Countries**

   Kose and Prasad, *Emerging Markets: Resilience and Growth Amid Global Turmoil*

3. **Paths of Development**


4. **Terms of Trade Instability**

   Class Handout on Terms of Trade


5. **Financial Market Institutions**

   Kawai and Prasad, *Financial Market Regulation and Reforms in Emerging Markets*