

**International Finance - Econ 3331****Assignment 5****Due date and time: 16 November 2011, 14:35****1. General instructions**

This assignment is intended to apply in real world contexts several concepts we have learned in the course. Your answers to these assignment questions must reflect your individual work and knowledge. You **cannot** work in groups and share your findings with others.

You must follow the policy on *Academic Integrity* stated in the course syllabus and the *Style Guidelines* attached to Assignment 1. Answer the questions using an essay format with appropriate figures, tables and references: state your data sources in a note to each table and figure, and show or explain your calculations clearly. Your essay will be marked based on research, logic and organization, and analysis, as well as writing style appropriate for the level of this course (see the course website for the grade rubric). Your analysis, arguments and conclusions must be based on verifiable evidence.

Late assignments will be marked down by 10 percent per day.

**2. Assignment**

*Background.*—Those *new* concepts that form the background knowledge for this assignment include: the policy trilemma in open economies.

*Object.*—Using the “policy trilemma” as a conceptual framework and the discussion contained in your textbook, Eichengreen (2010) and other relevant academic sources for historical context, discuss and analyze *in detail* the causes and consequences of monetary policy arrangements in a country of your choice (excluding China, Canada, the U.K., and the U.S.) during one or at most two of the following episodes: (i) 1870–1913, (ii) 1919–1939, (iii) 1946–1973, and (iv) 1974–present. Would you consider these choices optimal?

**Maximum 4 double-spaced pages (including all references and appendices)**

**References**

Eichengreen, Barry, 2010. *Globalizing Capital: A History of the International Monetary System*. Princeton University Press, New Jersey.