

## **FULL STATEMENT OF RULES, POLICIES, AND PROCEDURES OF THE ECONOMICS WAIVER EXAMS**

### **GENERAL INFORMATION**

Passing the economics or statistics waiver exam is one means whereby a student can accelerate the process of advancing through the economics the SAIS M.A. degree.

*Microeconomics, macroeconomics, international monetary theory and international trade theory are required core economics requirements for the M.A. degree; statistics is technically not a required course for the M.A. degree but is a common choice to satisfy the quantitative requirement of the degree.*

Not every student is allowed to take the waiver exam. Our prevailing rule is:

*A student is qualified to take a waiver exam only if: (i) the student has the equivalent course on transcript, from an accredited academic institution, completed with a passing grade of B- or better at the time they submit their application for the waiver exam (or by an agreed-upon time not to exceed two weeks after the scheduled waiver exam), (ii) the student is not yet in his or her third semester at SAIS (unless the waiver exam being taken is statistics, which we allow students to take at any time during their residency at SAIS), and (iii) the student has not already received a letter or pass/fail grade for the corresponding course (SA.300.699/SA.300.700 for Microeconomics, SA.300.701/SA.300.706 for Macroeconomics, SA.300.707/SA.300.851 for International Trade Theory, SA.300.708/SA.300.852 for International Monetary Theory, and SA.340.709 for Statistics).*

If you are qualified to take a waiver exam, you will be given **ONLY ONE** opportunity to pass it. If you pass, you will be given a denotation on transcript indicating that you have been waived of the course, but no course credit is given. Instead any course that is waived must be replaced with another economics elective in order to ensure that the student will satisfy the requirement of a minimum four economics courses taken in residence at SAIS. For statistics this means you are allowed to register for any course for which statistics is a prerequisite, but it must be replaced with another approved quantitative course to satisfy the quantitative methods requirement of the M.A. degree. If you do not pass the waiver exam, you must complete the required courses in the normal way -- by taking them at SAIS at any time that they might be offered: Fall, Spring, Summer, or in Pre- Term.

Since a student can only attempt a waiver exam once, we strongly recommend that the student devote more than just a token amount of time reviewing the content of the course that they had taken previously, and also review up-to-date textbooks in the field. Students whose understanding of the course material is good and still relatively fresh may need only a couple of days or so of review prior to taking the waiver exam. On the other hand, those who have not seen the material in some time, or who were never quite comfortable with the subject matter in the first place may need several days of concentrated review.

**PURPOSE OF THE WAIVER EXAMS:** The International Economics Program offers students **with prior equivalent coursework** in microeconomics, macroeconomics, international trade, international monetary theory, and statistics the option to take waiver examinations in each subject in order to facilitate the attainment of the economics requirements of the M.A. Degree. Specifically:

- Successfully passing the waiver exam in any of the above courses absolves the student of the need to take the corresponding course at SAIS. However, the student must replace any waived course with another acceptable course for purposes of meeting the four minimum international economics program concentration requirement, or the quantitative requirement, as the case may be.
- Students may use a successful pass of the waiver exam as sufficient for meeting prerequisite requirements of SAIS courses. As such, passing a waiver exam allows students to take advanced economics or quantitative courses sooner in their course of study.

A successful pass of a waiver exam will be denoted on transcript (though no course credit will be accrued, nor any letter grade given). Failure or a non-attempt, on the other hand, does not lead to any annotation on transcript.

The next paragraph explains the relationship between the waiver exams and our general policy regarding the waiver of prerequisites for higher-level courses.

### **USING A WAIVER EXAM TO SATISFY PREREQUISITES:**

If the intent of the student is to obtain the right to enroll in a course for which micro/macro/trade/monetary/statistics is a prerequisite, then passing a waiver exam is sufficient to satisfy that prerequisite requirement. (For example, passing the trade theory waiver will allow the student to register for a next-level trade course such as Advanced Topics in Trade, or Trade Policy in Transition and Development). If a student has neither sat the prerequisite course nor has passed the waiver exam in that course, then in general the student can only be allowed to register for the next-level course if he or she obtains the special permission of the professor and the program teaching the next-level course. (The leading exception to this is econometrics, which strictly requires that the student either have passed the SAIS statistics course or passed the stats waiver exam.) The professor teaching the next-level course must convey this permission in writing to the registrar and the international economics program and indicate that he or she understands the student lacks the prerequisite coursework but is being allowed to enroll in the course.

In practice, most economics professors whose courses have micro, macro, trade, monetary, or statistics as a formal prerequisite will disallow registration without the prerequisite in hand, and will ask that the student sit and pass the corresponding waiver exam.

Presently, there are waiver exams for microeconomics, macroeconomics, trade, international monetary theory, and statistics only. If, however a student has a prior economics course from an accredited university or academic program that is equivalent to a SAIS economics course, the student may use that prior course to seek a prerequisite waiver with instructor permission in order to take a higher-level course that has that prior course as a prerequisite.

For example, a student with a prior basic econometrics course wants to register for an upper-level econometrics course. As there is (presently) no waiver exam for econometrics, the student can seek the permission of the instructor of the upper-level course to attend the higher-level course using his prior course as credential for a waiver of the basic econometrics prerequisite. A second commonly occurring case is that of students with prior corporate finance courses looking to register for multinational corporate finance at SAIS. As there is no corporate finance waiver exam, instructor permission to waive the corporate finance prerequisite for the multinational corporate finance course is sufficient.

To be granted a prerequisite waiver by instructor permission, the student will need to have the instructor granting the prerequisite waiver provide documentation of consent to both the Director (or Associate Director) of the International Economics Program and the corresponding Registrar of SAIS-DC or SAIS-Europe. The email or correspondence should state: (i) the instructor's course, (ii) the name of the course that the student is presenting in satisfaction of the course prerequisite, and the university/program that it was taken at, (iii) the instructor's statement that the student's prior course was deemed sufficient to be granted permission to register for the instructor's course.

Note: The granting by an individual professor of permission to attend a course without prerequisites (i.e., a "waiver of prerequisites") does not imply that the student has in any way successfully completed the prerequisite course, nor does it imply the student has satisfied any degree requirement associated with the prerequisite course. It merely implies that that particular professor has allowed the student to register for that particular course without satisfaction of its formal prerequisites.

### **ELIGIBILITY FOR A WAIVER EXAM:**

*A student is qualified to take a waiver exam only if: (i) the student has the equivalent course on transcript, completed with a passing grade of B- or better at the time they submit their application for the waiver exam (or by an agreed-upon time not to exceed two weeks after the scheduled waiver exam), (ii) the student is not yet in his or her third semester at SAIS (unless the waiver exam being taken is statistics, which we allow students to take at any time during their residency at SAIS), and (iii) the student has not already received a letter or pass/fail grade for the corresponding course (SA.300.699/SA.300.700 for Microeconomics, SA.300.701/SA.300.706 for Macroeconomics, SA.300.707/SA.300.851 for International Trade Theory, SA.300.708/SA.300.852 for International Monetary Theory, and SA.340.709 for Statistics).*

As regards course equivalency—our policy has been and remains that in order to qualify for a waiver attempt the student’s prior course *must be a semester or near-semester length course, taught at the same level as the corresponding SAIS course, by an accredited academic program at the college-level or equivalent*. The prior course should also have had a sufficiently rigorous evaluation system (i.e., a combination of exams, homework, class presentation, and individual projects that are not greatly dissimilar to the requirements of the corresponding SAIS course).

Some particulars on each subject waiver:

- a. Prior semester-length courses in microeconomics and macroeconomics *must be intermediate-level courses* to qualify a student for the microeconomics and macroeconomics waivers. These are courses which are similar to the *second* micro and macro courses taken by undergraduate economics majors at U.S. universities. Intermediate-level courses are characterized by some or all of the following: (i) existence of a prior “principles” course as a prerequisite course to the intermediate course (even if the student did not actually take the prerequisite course), (ii) a course syllabus that shows coverage of intermediate-level topics similar to those covered in the micro and macro courses at SAIS, especially those topics covered at towards the end of these SAIS courses, (iii) integral use of formal analytical/mathematical models in the course itself, or the use of intermediate-level mathematical techniques (e.g., calculus) as part of the instruction, (iv) use of an intermediate-level textbook such as those used by the SAIS courses (though the textbook used *by itself is not sufficient* to determine if a course was taught at the intermediate level).
- b. Prior semester-length courses titled international trade or trade theory or international development/global economy courses whose syllabus contains elements of intermediate economic trade theory (for example, Ricardian, factor-proportions, Hecksher-Ohlin, or similar analytical trade models) and whose material consists of at least 50% trade-related topics are roughly equivalent to the SAIS international trade course and are generally acceptable for purposes of qualifying for the trade waiver exam.
- c. Prior semester-length courses in international monetary theory or international macroeconomics/open-economy macroeconomics or international finance (provided the course was an analytical or macroeconomics-oriented international finance course, and not an applied business or exclusively financial markets-oriented course) are generally acceptable for purposes of qualifying for the international monetary theory waiver exam.
- d. Semester-length courses in general international economics (e.g., courses with the generic title “international economics”) generally qualify the student for a choice of either the international trade waiver exam or the international monetary theory waiver exam, *but not both*. That is, unless it is demonstrably the case from the course

syllabus that the depth of treatment of both subject areas allows for both waiver exams to be taken.

- e. Prior semester-length courses in statistics, probability theory, applied statistics/probability/risk, or econometrics/psychometrics, or courses which are extensive in the probabilistic analysis of an area or topic of interest (like certain statistics-oriented methods courses in business, the biological sciences or social sciences) are generally acceptable for purposes of qualifying for the statistics waiver.

With reference to the above rules and guidelines, it is the responsibility primarily of the waiver exam administrators to determine whether a prior course taken is “sufficiently equivalent” to the SAIS course the student seeks to waive out of. In certain unusual circumstances, this decision may be appealed for review by the Director of the International Economics Program. In general, however, it is expected that the waiver exam administrators will conform to the above rules and guidelines in assessing course equivalency, and thus render uncontroversial decisions. As an example, if no course with the equivalent title to our courses appear, we will either deny eligibility outright, or (more typically) request that you provide us with a more detailed course syllabus and possibly other information that establishes equivalency with the course for which you seek a waiver. Should these extra items still be insufficient to clearly establish prior equivalent coursework, eligibility to take the waiver exam will be denied.

**• TIME LIMIT RULE ON WHEN ONE CAN ATTEMPT A WAIVER EXAM: MICRO, MACRO, TRADE & MONETARY MUST BE TAKEN BEFORE THE STUDENTS THIRD SEMESTER OF RESIDENCY AT SAIS. STATISTICS MAY BE TAKEN AT ANY TIME. REGARDLESS OF WHEN TAKEN, ANY WAIVED COURSE MUST BE REPLACED WITH ANOTHER COURSE FOR PURPOSES OF FULFILLING DEGREE REQUIREMENTS.** This rule is in place to ensure that students who are unable to pass a core economics waiver exam will still be able to complete the economics requirements of the M.A. degree in time to graduate on schedule. Students attempting the statistics waiver may attempt the waiver any time during their residency in the M.A. program. M.I.P.P., Ph.D., and special arrangement students are not restricted in terms of when they may attempt specific waiver exams, but are strongly encouraged to take these exams early in their residency since micro, macro, trade, monetary, and statistics are prerequisite courses to many upper level economics electives.

#### **OTHER VERY IMPORTANT PARTICULARS CONCERNING THE WAIVER EXAMS PROPER:**

- Each waiver exam may be taken **ONLY ONCE** so it is imperative to properly prepare for them, as no student gets a second chance to pass any given subject. **Absolutely no retake of a given waiver exam is allowed.**
- Exams are given at various points or "cycles" during the academic year and, unless otherwise specified, are administered on-line, over the internet. **The full**

**schedule of waiver exam cycles for each campus are set one year in advance, and appear below at the bottom of this webpage. Students can take the waiver exams on these fixed schedules at no cost.**

- **Waiver exams are not given on demand, although we are now able to support a limited number of out-of-schedule waiver requests. These out-of-schedule waiver exams are subject to staff availability and to a nontrivial out-of-schedule exam fee.** So if a student misses the exam cycle for whatever reason, or is physically unable to attend a proctored on-campus waiver exam, an out-of-schedule waiver exam may be possible as long as staff is available and the student pays the out-of-schedule waiver fee. If not, then the student must wait for the next available exam cycle to take the exam. Please see the section "Taking A Waiver Exam Out Of Schedule" elsewhere on this Waiver Exam page for specific rules.
- All waiver exams are in on-line format and can be taken during any two-hour period within the open examination window (typically three days in length) using any computer with internet access and Microsoft Internet Explorer 5.0 or higher. **Please see the bottom of this page for the schedule of each waiver exam cycle.**
- Again, a passing performance on a waiver exam implies that the student need not sit the waived course. But there is no course credit that accrues therefrom, so the student remains subject to our program's minimum requirement of four economics courses, a quantitative methods course requirement, and the broader school-wide requirement of a minimum of sixteen SAIS courses taken for credit.
- As the exams are already open-book, open-notes, and multiple-choice in format, *we do not issue any sample exams or practice questions.*