Syllabus
ECON 3500: International Economics
Fall 2013

Instructor
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Course Description and Goals
This course is intended to provide students with an analytical framework necessary to understand how events in the global economy affect national economies and vice versa. The course is broadly divided into four topics: (1) international trade, (2) international trade policy, (3) exchange rate and open-economy macroeconomics, and (4) international macroeconomic policy. To enrich your understanding of the workings of the global economy, you will be introduced to alternative theories and economic models relating to patterns of international trade and policy, national income and international monetary arrangements, as well as foreign investment, with applications drawn from real world events.

Prerequisite: ECON 2010 and ECON 2020 (or ECON 1010 and instructor's consent).

Required Textbook
International Economics: Theory and Policy, 9th edition by Krugman, Obstfeld, and Melitz. The textbook can be purchased new or used from the university bookstore.

MyLab or MyEconLab Course ID: **mohammed86478**

Other materials
Issues on international economics show up in daily news, talk shows and debates among economists, policy makers or elected officials. I encourage you to acquaint yourself with the most up-to-date news on the global economy. The Economist http://www.economist.com/ is a good place to start. Other useful sources include news outlets such as the Financial Times http://www.ft.com/intl/globaleconomy and some editorials in the main national newspapers. Blogs that focus on issues related to international economics are also useful. Check out Krugman's blog http://krugman.blogs.nytimes.com/ or the Economist's blog http://www.economist.com/blogs/freeexchange/2013/05/global-economy . As I find interesting articles and videos, I will post them or the link on Canvas.

Requirements
There will be one in-class midterm exam and one cumulative in-class final exam, each counting 30% towards the final grade. In addition, there will be four *unannounced* quizzes (20%) and two assignments (20%), together will contribute 40% towards the final grade.

Grades will follow an absolute scale according to the university's requirements: [in %] 93+ A, 90-92 A-, 86-89 B+, 82-85 B, 79-81 B-, 76-78 C+, 73-75 C, 70-72 C-, 67-69 D+, 64-66 D, 60-63 D-, <60 F.

Students who typically do well in the course are those who come to class every day on time and take good notes. Students who usually get lower grades are those who miss classes and/or come late and

fail to take good lecture notes. Even if you are able to borrow a classmate's notes, they are not a perfect substitute for you being in class and taking your own notes. Writing out problems and notes in class, reinforces the concepts and will help you do better on the exams and more importantly enrich your understanding of international economics.

Tentative Course Schedule

Week	Class	Topic	Readings	Note
1	Aug 27	Introduction to International Economics	Ch 1,2	
	Aug 29	Trade data and source	Ch 1,2	
2	Sep 3	The Ricardian Model	Ch 3	
	Sep 5	The Ricardian Model	Ch 3	Assignment 1
3	Sep 10	Specific Factors and Income Distribution	Ch 4	
	Sep 12	Specific Factors and Income Distribution	Ch 4	Assignment 1 Due
4	Sep 17	The Heckscher-Ohlin Model	Ch 5	
	Sep 19	The Heckscher-Ohlin Model	Ch 5	
5	Sep 24	The Standard Trade Model	Ch 6	
	Sep 26	The Standard Trade Model	Ch 6	
6	Oct 1	External Economies of Scale and International Trade	Ch 7	
	Oct 3	Market Imperfections	Ch 8	
7	Oct 8	Review for Midterm	Ch 8	
	Oct 10	Midterm Exam	Ch 8	
8	Oct 15	***Fall Break***		No Class
	Oct 17	***Fall Break***		No Class
9	Oct 22	The Instruments of Trade Policy	Ch 9	
	Oct 25	The Political Economy of Trade Policy	Ch 10	
10	Oct 29	Trade Policy in Developing Countries	Ch 11	
	Oct 31	Controversies in Trade Policy	Ch 11, 12	
11	Nov 5	National Income Accounting and the Balance of Payments	Ch 13	
	Nov 7	Exchange Rate and Foreign Exchange Market	Ch 14	Assignment 2
12	Nov 12	Money, Interest Rates and Exchange Rates	Ch 15	
	Nov 14	Price Levels and Exchange Rate in the Long Run	Ch 16	Assignment 2 Due
13	Nov 19	Output and Exchange Rate in the Short Run	Ch 17	
	Nov 21	Fixed Exchange Rates and Foreign Exchange Rate Intervention	Ch 18	
14	Nov 26	International Monetary Systems	Ch 19	
	Nov 28	***Thanksgiving Break***		No Class
15	Dec 3	Optimum Currency Areas and the European Experience	Ch 20	
	Dec 5	Financial Globalization: Opportunity and Crisis	Ch 21	
16	Dec 10	Developing Countries: Growth, Crisis, and Reform	Ch 22	
	Dec 12	Wrap-up and Review for Final Exam		
17	Dec 17	Final Exam (10:30 am - 12:30 pm)		In-class and Cumulative