

Course Outline

COURSE TITLE	International economics
NAME OF LECTURER	Assoc. prof. dr. Viktorija Cohen

COURSE DESCRIPTION

This is an undergraduate course in international economics. During the course it will be covered both international trade and international finance. For that reason, we will analyze the theoretical background of international economic, relations and problems of international trade and understand how international finances matter in international trade. The goal of the course is to enable students to critically analyze those economic issues that result from a country's interaction with other countries as well as being a part of the global economy: trade with other countries, movement of capital and labor, supranational economic integration, current account imbalances, exchange rate volatility, currency crises.

RECOMMENDED READINGS

The course is based on this book: Sawyer W.C., Sprinkle R. L. *Applied international economics*. 4th edition, 2015, Routledge, 538p. ISBN: 1317753798.

Other online resources:

www.imf.org

www.internationaleconomics.net

www.wto.org

www.imf.org

TEACHING METHODS

Lectures, discussions and analysis of additionally provided material and presentation of students. Groups presentations, group critical discussion.

Organization of each session

The time together will be divided as follows:

- 1) lecture for the first part of the class followed by a short break
- 2) The remaining time is dedicated to a group work, discussions, presentations, analysis, calculations

ASSESSMENT METHODS

4 Quizzes, on average 4 topics, each quiz is 15% of the total grade, total – 60%. Around 20 questions each quiz.

Presentation (group of 2 students) – 20%, Homework – 20%

CLASS TOPICS (*each class is 3 hrs*)

Lecture 1: Introduction to the course. Why countries trade? Trends in international economics.

Lecture 2: Trade based on comparative advantage and the production possibilities frontier. Calculation

Lecture 3: Factor endowments and the commodity composition of trade. Calculations

Lecture 4: 1 Quiz. Intra-industry trade. The firm in the world economy. Students presentations

Lecture 5: International factor movement. Discussion

Lecture 6: Tariffs. Case study analysis. Discussion

Lecture 7: Non-tariff distortions to trade. Case study analysis. Discussion

Lecture 8: 2 Quiz. International trade policy. Regional economic arrangements. Students presentations

Lecture 9: International trade and economic growth. National income accounting and the balance of payments.

Lecture 10: Exchange rate, money, interest rates. Calculations

Lecture 11: Open economy macroeconomics. Students presentations

Lecture 12: 3 Quiz. Floating exchange rate, fixed exchange rates & currency unions. Calculations

Lecture 13: International monetary arrangements. Students presentations

Lecture 14: Capital flows and the developing countries. Students presentations

Lecture 15: 4 Quiz. Closing remarks of the course

SPECIAL COMMENTS

This course is very intensive in terms of reading, calculating and understanding the basics of international economics. Thus, prior to the lecture students are required to read assigned material and come to the lecture prepared. We will be doing some calculation during the class. However, to back it up there will be homework assigned.