

Syllabus for Econ 3500-070, Spring 2012

Sandy 123, T 6:00pm - 9:00pm

Course: International Economics

Instructor: Mansokku Lee

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Office Hours: T 5:00pm - 6:00pm in Sandy 102 or by appointment

Course Webpage: <http://webct.utah.edu>

1 Course Description

The course will examine the reasons for international trade in goods and services, the reasons for international capital flows, barriers to international trade, international trade organizations, and components of the balance of payments, the determination of exchange rates, and various exchange rate regimes. Classes will be conducted primarily in a lecture format with substantial time for questions and discussion. It is important that students read the textbook prior to the class for which they are scheduled. This preparation will enhance understanding of the material and the student participation. Make-up exams are possible only under unusual circumstances and if arrangements are made prior to the exam. The primary objectives of the course are to: (1) develop an understanding of international economic activity, (2) explore gains from trade, the mechanisms necessary to capture these gains, and the incentives (some groups have) to avoid them, and (3) explore the institutional systems used to cope with international economic activity. Major goals are to establish the importance of the gains from international economic activity and to identify the gainers and losers of this activity. Concepts will be illustrated and reinforced with numerous contemporary "real-world" examples. Policy implications will also be investigated. Investigation of the balance of payments and exchange rates will also form a significant portion of the course. For this course, real trade theory is given a slightly greater emphasis as compared to international monetary theory. There is a reason for this apparent bias. The University of Utah regularly offers a course that focuses solely on international monetary theory (ECON 5510). Therefore, by placing a greater emphasis on real trade theory in this course, it is hoped that students with an interest in international economics can gain a much deeper understanding of both aspects of international economics by taking this course and taking ECON 5510 at some later date. This is not to say that we will ignore international monetary theory completely, but only that the coverage will be narrowed to roughly less than 1/2 of the total material covered. This course fulfills the Quantitative Intensive (QI) requirement for the Bachelors of Science degree.

2 Required Textbook

International Economics: Theory and Policy (9th ed.) by Paul R. Krugman, Maurice Obstfeld, and Marc J. Melitz. Boston: Addison-Wesley. ISBN13: 978-0-13-801896-2

3 Course Expectation

The University expects students to study approximately two hours outside of class for every hour in class. Therefore, students should plan on studying five to six hours a week outside of class. This should be sufficient for most students. This course is a quantitative intensive course, which means that exams will have quantitative problems that require some mathematical reasoning. College algebra should be sufficient for understanding and solving all of the exercises found on either the homework assignments or exams. No knowledge of highly-advanced calculus is required for this course.

4 Grading Scheme

Your grade will be computed as follows:

attendance and participation	10%
term paper	10%
midterm exam	40%
final exam	40%

Attendance: Class attendance will be a part of your final grade. It is very important because the students have to keep track of the information presented in lectures.

Review questions: At the end of each chapter, the list of exercise problems for that chapter will be provided. All the questions assigned will come from the topics discussed in class. It will not be graded and you don't have to submit. It is, however, highly recommended that students work on it because some exam questions will be modifications of these questions.

Exams: There will be one 90-minute midterm exam and one 120-minute final exam during the semester. Please refer to the tentative course schedule for the dates and scopes of these tests. Exercise provided in the book, review questions, and the examples presented during lectures constitute the important preparation material for the exams.

Paper: One term paper will be assigned (roughly ten pages in length). The purpose of writing paper will be to apply the concepts developed in class to the analysis on some aspect of international economics. Specific topics of paper will be given to you.

Calculator: Students may use calculators on homework assignments and tests, but may use only a four-function calculator for tests.

5 Policies

- Make up exams will not be offered except in most special circumstances, the judgment of which belongs to the instructor. Arrangements must be made prior to the time the exam is given.
- In completes will be given only for reasons of illness or family emergency. Evidence may be required.
- Academic dishonesty (cheating, etc.) or disruptive behavior in the classroom will not be tolerated and may lead to expulsion from the course, failure of the course, or possibly more severe penalties. For a complete description of the student's rights and responsibilities, see the Student Code found under the students section at the University of Utah homepage.

6 ADA Statement

The Americans with Disabilities Act requires that reasonable accommodations be provided for students with physical, cognitive, systemic, learning, and psychiatric disabilities. The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations. All written information in the course can be made available in alternative format with prior notification to the Center for Disability Services. Please contact me at the beginning of the semester to discuss any such accommodations you may require for this course.

7 Tentative Course Schedule

Class #	Date	Chapter	Topic	Notes
1	1/10	1&2	Intro and overview	
2	1/17	3&4	Comparative advantage Specific factor model	
3	1/24	4&5	Resource and trade	
4	1/31	5&6	Standard trade model	
5	2/7	6&7	Economies of scale	
6	2/14	7&8	Firms in global economy	
7	2/21	9&10	Trade policy	
8	2/28	11&12	Trade policy	
9	3/6	13	National income accounting	Midterm (6:00-7:30pm)
10	3/13		No class (spring break)	
11	3/20	14&15	Money, interest rates, and exchange rates	
12	3/27	16&17	Price level, output and exchange rates	
13	4/3	18&19	Fixed exchange rates International monetary system	
14	4/10	20&21	Optimum currency area Financial globalization	
15	4/17	22	Developing countries	
16	4/24		Catch Up	
17	5/1		Final Exam (TBA)	Paper due

Please Note: I reserve the right to make minor changes to the schedule above. Any changes will be announced in class well in advance.

8 Important Dates

Wednesday, January 18: Last day to drop (delete) classes

Monday, January 23: Last day to register, elect CR/NC, or audit classes:

Friday, March 2: Last day to withdraw from classes

Friday, April 20: Last day to reverse CR/NC option