

# ECON 317- 01A: International Economics

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Department of Economics

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Class Hours: TR 1:05 – 2:25 PM.

Class Room: Main # 152

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## 1 Course Description

International economics is the introduction to the theory of international trade and finance with selected application to current problems of trade policy, balance of payments adjustment, the international monetary system, and globalization issues. Therefore, it focuses on the elementary techniques to examine the reasons for and consequences of international transactions: both in trade and finance. You will be introduced to basic concepts such as: comparative advantage; trade policies and practices; international economic institutions such as the WTO, the IMF and the World Bank; regional trade agreements; foreign exchange markets and systems; multinational corporations. We will connect the following type of questions: 1) What is trade war? Do you think it's easy to win the trade war? 2) Should we be more concern about China or automation for our job loss? 3) Does migrant help to boost-up the economy? 4) Why trade deficit matters? 4) Does trade make the poor even poorer? 5) How currency manipulation hurts the local economy?

The aim of the class is to give students the tools necessary to read critically and understand discussions of past and current events in the world economy found in popular media such as The Economist, The Wall Street Journal and the Financial Times. To that end, we will study selected basic models in international trade, discuss their practical relevance, and apply them to questions of current interest to policy makers, business leaders and the general public.

## 2 Learning Objectives

By the end of this course, students should understand the concept of comparative advantage and the gains from trade, understand what determines the pattern of trade, and be able to outline the costs, benefits, and impact on income distribution of different instruments of trade protection. They should understand the political economy of protection, and the role and limitations of

the World Trade Organization. Students should be able to apply the analytical toolbox of trade theory to real world situations in order to make qualitative predictions of the effects of measures such as tariffs or export subsidies. They should be able to locate, manipulate, and interpret numerical data on trade flows, international capital flows, and to empirically test the predictions of simple theories of trade using real-world data.

The departmental goals for Econ 111 are:

**Goal 1: Students of economics will be able to apply economic theory to understand economic issues and policies by:**

1. Analyzing interactions between human values and economic policy;
2. Demonstrating a knowledge of and ability to apply appropriate analytical tools

**Goal 2: Students of economics will be able to evaluate evidence bearing on those economic issues and policies by:**

1. Identifying, locating, and assessing the necessary quantitative and non-quantitative information, facts and arguments; and
2. Employing both quantitative reasoning and computing skills where appropriate.

**Goal 3: Students of economics will be able to communicate effectively the results of their economic analysis through:**

1. Clear writing, appropriately supported and documented;
2. For majors, polished oral presentations.

### 3 Course Prerequisites

ECON 111. If you decide to take this class, I will assume this to be the case. I will also assume familiarity with basic algebra.

### 4 Required Readings

- **Textbook: (G) *International Economics* by James Gerber, 7th Edition. ISBN 13: 978-0-13-447209-6**

The textbook is required for this course and is available at the University Bookstore. You have numerous options, even the third edition is for this course.

- Recommended:
  - *Free Trade Under Fire* (4th edition) by Douglas Irwin
  - *Essentials of International Economics* by Feenstra and Taylor
  - *International Economics* by Krugman, Obstfeld and Melitz, 10th Edition.

## 5 Grading Policy

This course uses a variety of assignments and assessments designed to help you learn and practice the course concepts. While attending lecture are very important, the time and effort you put in outside of lecture are equally important to your learning. You should allocate **10-12 hours per week** for this course to do better.

1. **Exams (35 %):** We will have three non-cumulative in-class exams. Attendance at both the midterms and final exam is mandatory, and no make- up exams will be offered. In marginal cases, class attendance and participation will be taken into account.
  - **Midterm # 1 (15 %):** 02/27/2020
  - **Final (20 %):** 05/07/2020
2. **Homework (15 %):** You can submit the homework in group (# of group members should be  $\leq 3$ ). Remember no individual homework submission. Please form your group for Homework. Always write the name and ID for each group member top of your Homework.
3. **Quiz (15 %):** Quiz will be maintained through canvas module. Please check you canvas account for any updates regarding this course.
4. **Class Participation (15 %):** These points are coming from in class discussion and participation.
5. **Report Writing (20 %):** You are free to choose any topic as long as its covering under international economics. **Due date 31/04/2020**

### Letter Grade Distribution:

| Letter Grade | Interpretation  | Honor Point | Total Number    |
|--------------|-----------------|-------------|-----------------|
| A            | Excellent       | 4.0         | 91.5 and above  |
| AB           |                 | 3.5         | 84.5-91.49      |
| B            | Good            | 3.0         | 80.5-84.49      |
| BC           |                 | 2.5         | 74.5-80.49      |
| C            | Satisfactory    | 2.0         | 70.5-74.49      |
| CD           |                 | 1.5         | 65.5-70.49      |
| D            | Minimum Passing | 1.0         | 60.5-65.49      |
| F            |                 | 0.0         | 60.49 and below |

## 6 Other Policies

### Classroom Etiquette

Learning in the classroom is desirable. However, some behaviors can be distracting and degrade the ability of others to learn and teach. For example, using laptops, tablets, and

cell phones. Therefore, **please do not use electronic devices of any kind during class unless you are instructed to do so.**

Please show respect to your fellow classmates. Inappropriate behavior in classroom will be reported to school authority. If you need to leave the class urgently, go as silently as possible. If you cannot come to the class, let me know in advance.

### **Important Dates**

Please follow the university calendar for any specific date. You can find the fall calendar in [here](#).

### **Class Cancellation**

I may need to cancel class during the semester due to emergencies like weather, illness, etc. If class is canceled, I will send you a message through Canvas course page. If you are unsure about any assignments for that day, you should contact the instructor at [suddin001@csbsju.edu](mailto:suddin001@csbsju.edu).

### **Academic Misconduct**

You are all adults & you all know what cheating is. But to reiterate: plagiarism, unauthorized group work, and unauthorized use of notes/text/etc all count as cheating. Any violation of the Honor Code will result in a grade of F for the course and will be reported to the Dean of Students' office. The CSB/SJU code of academic integrity is [here](#):

### **Disability Resource Center**

The colleges have support systems in place for those students with an official diagnosis of a Learning Disability or a Physical Disability. If a student has had a diagnosis for a specific Learning Disability or a Physical Disability, the Office of Academic Advising will notify me and will provide information on current CSB|SJU accommodations. If a student volunteers information regarding a Learning Disability or a Physical Disability I will contact Academic Advising and make appropriate arrangements.

### **Religious Observance**

Accommodations will be made for students who wish to observe their religious holidays. Students should make their requests known at the beginning of the semester

- during the first week of classes.

## 7 Useful Links

### Some data link

- [International Macroeconomic Data Set](#)
- [IMF WEO database](#)
- [IMF International Financial Statistics](#)
- [OECD stat](#)
- [BEA Data](#)
- [AEA Macro Data](#)
- [World Bank database](#)
- [Database of Global Economic Indicators](#)

## 8 Course Outline and Reading List

All required readings will be available online on the CANVAS page. Recommended readings in the textbook are abbreviated as "G".

If you are particularly interested in a topic, you are invited to explore the other recommended readings. Some other recommended readings will be made available through links on the class web-page.

### Tentative Schedule

- Chapter 1: An Introduction to the World Economy
- Chapter 3: Comparative Advantage and the Gains from Trade
- Chapter 4: Comparative Advantage and Factor Endowments
- Chapter 6: The Theory of Tariffs and Quotas
- Chapter 7: Commercial Policy
- Chapter 9: Trade and the Balance of Payments
- Chapter 10: Exchange Rates and Exchange Rate Systems
- Chapter 11: An Introduction to Open Economy Macroeconomics
- Chapter 8: International Trade and Labor and Environmental Standards
- Chapter 13: The United States in the World Economy