

Econ 340
International Economics
Fall 2015

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Course Description: The object of this course is to familiarize students with the most relevant topics of international economics and enable them to analyze global economic issues. The course will cover both International Trade and International Finance. In the first part of the course, we will explore the motives for and the patterns of trade between countries, the instruments of trade policy and the arguments for and against free trade and protectionism. We will then examine exchange rates, balance of payments and national income accounting, and international financial flows. Finally, we will explore current issues of the global economy, including international linkages, international financial crises and integration.

Course meets: M, W 9:30-10:45 (SG91) and M, W 11-12:15 (SG92) in Building III – 4230.

Office Hours: MW 2pm *by appointment*, Bldg. II, Rm. 1352A-2.

Prerequisites: Students are expected to have taken an Introductory Microeconomics and Macroeconomics course.

Required Text: International Economics (5th OR 6th edition), by Gerber.

Course Website: If you are registered for this course, you should use your directory ID and password to access www.elms.umd.edu. Copies of this syllabus, your grades, and other relevant documents will be made available through the course website. *Students are expected to check the website regularly.*

Communication: Email is the best way of communicating with me. Please include **ECON 340** in the subject of your email. I will do my best to respond within 36 hours. You will most likely receive a faster response if you email me directly (not through canvas).

Exams: There will be two midterms and a cumulative final exam. *Midterm dates are subject to change.*

Schedule: First exam: Oct. 7st (regular class time)
 Second exam: Nov. 4th (regular class time)
 Final: Saturday Dec. 19st 8-10 am (Section SG91)
 Wednesday Dec. 16th 8-10 am (Section SG92)

Make-up policy: Students are required to take both midterms and the final since these assessments are “major scheduled grading events”. Absences from exams must be fully documented and university

authorized. Make-up exams will be granted **only** to those students whose excuse complies with University policy.

In class exercises: Lectures will be complemented by in class exercises. These will be posted online and/or handed out in class, and we will go over their solution in class. You will be responsible for this material in exams.

Quizzes: Online quizzes will be used to make sure you are keep up to date will necessary material for lectures and in class discussions and exercises.

Independently of grading, working through quizzes is very useful for keeping up with material and making sure you understand key concepts. It is also a very good way to prepare for exams.

Grading: Final grades will be determined as follows

First Midterm	30%
Second Midterm	30%
Final Exam	30%
<u>Quizzes</u>	<u>10%</u>
TOTAL	100%

Course Material: To facilitate the learning process in this course, I post lecture outlines and other material of interest to the class. Please note that all my lectures and course materials, including power point presentations, tests, homeworks, exercises, and similar materials, are protected by copyright. You may take notes and make copies of course materials for your own use. You may not and may not allow others to reproduce or distribute lecture notes and course materials publicly whether or not a fee is charged without my express written consent. Selling or distributing course materials may violate the Code of Student Conduct. Persons who publicly distribute or display or help others publicly distribute or display copies or modified copies of an instructor's course materials may be considered in violation of the University Code of Student Conduct, Part 9(k).

Attendance: Attendance is not mandatory, but strongly advised.

Use of Calculators: Sometimes a calculator may be of help in an exam. If you want to use one, the only type of calculator you will be permitted to use is a simple one. Financial Calculators, graphing calculators, programmable calculators, PDAs, cell phones, computers and any other devices on which text may be stored are not permitted.

Academic Integrity: The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see www.studenthonorcouncil.umd.edu. If I observe

what I believe is a violation of the Code of Academic Integrity, I will refer any and all students involved to the Student Honor Council.

Accommodations for students with disabilities: I will make every effort to accommodate students who are registered with the University's Disability Support Services (DSS) office and who provide me with an updated DSS form by September 25, 2015. I am not able to accommodate students who are not registered with DSS or who do not provide me with the documentation in advance of exams.

Course Evaluations: I look forward to receiving your feedback on the course, both during and at the end of the semester. In particular, your participation in the evaluation of courses through CourseEvalUM is a responsibility you hold as a student member of our academic community. Your feedback is confidential and important to the improvement of teaching and learning at the University.

Course outline:

Please note this outline is subject to change! It is intended to give you a rough idea of what topics will be covered over certain dates during the semester and when you can (more or less) expect course work to be due.

Week 1 (Aug. 31st – Sept. 4th): Introduction

Why study international economics?

Chapter 1

Week 2 (Sept. 7th – 11th) Theories of International Trade

Why is international trade desirable? What determines the pattern of trade? The Ricardian Model of trade.

Chapters 3

Class exercise

Quiz 1

Week 3 (Sept. 14th – 18th) Theories of International Trade

The Heckscher – Ohlin (factor endowments) model of trade

Chapter 4

In class exercise

Quiz 2

Week 4 (Sept. 21st – 25th) Theories of International Trade

Beyond Comparative advantage: Economies of scale and international trade

Chapters 5

Week 5 (Sept. 28th – Oct. 2nd) Theories of International Trade

Beyond Comparative advantage: Economies of scale and international trade

Chapters 5

Quiz 3

Week 6 (Oct. 5th – 9th) Review and Midterm

MIDTERM WEDNESDAY Oct. 7th

Week 7 (Oct. 12th – 16th) Protectionism

What are the instruments of protectionism?

Chapters 6

Class exercise

Quiz 4

Week 8 (Oct. 19th – 23rd) Protectionism
Why do countries restrict trade?
Chapter 7

Week 9 (Oct. 26th – 30th) International Institutions and International Integration
Which are the most important international institutions? What is their role?
What is international integration? What forms does it take? How have things changed in the last century?
Chapter 2, 13 and 14
Quiz 5

Week 10 (Nov. 2nd – 6th)
Review
Wednesday Nov 4th: MIDTERM 2

Week 11 (Nov. 9th – 13th) Exchange rates and exchange rate systems
What are exchange rates? What is the role of currency in the global environment?
Chapter 10
Quiz 6

Week 12 (Nov. 16th – 20th) Exchange rates and exchange rate systems
What are exchange rates? What is the role of currency in the global environment?
Chapter 10
Class exercise

Week 13 (Nov. 23rd – 27th) Balance of Payments
What is the balance of payments? How can we use it to understand international capital movements?
Chapter 9
Thursday Nov. 26th – Sunday Nov. 29th : THANKSGIVING BREAK

Week 14 (Nov. 30th – Dec. 4th) International linkages and financial crises
How do international economics and domestic economics interact? What has caused recent international financial crises?
Chapter 11 and 12
Quiz 7

Week 15 (Dec. 7th – 11th) REVIEW