**Economics 3500 International Economics Summer 2013**

**MW 9:00-12:00 Noon; OSH 104**

Praopan Pratoomchat, University of Utah, PART I (International Trade Theory and Policy). Office OSH 380

Danupon Ariyasajjakorn, Chulalongkorn University (Open Economy Macroeconomics and International Finance)

Course consultant: Prof. Stephen Reynolds; OSH 379; [stephen.reynolds@csbs.utah.edu](mailto:stephen.reynolds@csbs.utah.edu)

**3500 International Economics** (3 credit hours)

* Prerequisites: ECON 2010 and 2020 (or ECON 1010 and instructor's consent)
* Fulfills “Quantitative Intensive” Bachelor of Science Graduation Requirement because of mathematical (geometric and algebraic) modeling throughout the course.
* Fulfills “International Requirement” Graduation Requirement
* We will ***not*** address everything in the reading in class (we will do the hard part in class) and we will supplement the reading material in lecture. The reading is critical, too.
* The course objectives are to give you an understanding of the cross border economic phenomena (international payments and exchange rates and international movements of goods, labor and capital) from multiple perspectives (theoretical, empirical and historical) and of macroeconomic and microeconomic relationships among national economies, e.g., the U.S. economy, other national economies, and the global economy.
* This course is offered every semester. If you expect to miss classes or do not have the prerequisites you are advised ***NOT*** to register for this class this very intensive semester!

**General Description:** History, institutions, and theory of international economic relations. Alternative theories relating to the pattern of international trade, commercial policy, relationships between national income and international trade and payments, balance-of-payments adjustment, international monetary arrangements, and foreign investment.

**Textbook:** Paul R. Krugman, Maurice Obstfeld and Marc Melitz, International Economics: Theory and Policy, 9th Edition, Pearson/Addison-Wesley

**No make-up exams** will be given, regardless of reason, except when required under University regulations. University regulations permit “incomplete” grades only when no more than 20% of the required work remains to be completed. There is no comprehensive final exam. **The Parts I and II are weighted equally in determining the FINAL COURSE GRADE**. The midterm for Part I is one-half of the final course grade. The other half of the final course grade is determined from the homework and exam given in Part II.

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 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

All written information in this course can be made available in alternative format with prior notification to the Center for Disability Services.

**PART I: International Trade Theory and Policy**

***May 13*** Introduction, Overview of the World Trade

Krugman et. al. Ch. 1, 2

***May 15*** Labor Productivity and Comparative Advantage : The Ricardian Model, Specific Factors and Income Distribution

Krugman et.al. Ch. 3 and 4

***May 20*** Resources and Trade: The Heckscher-Ohlin Model, The Standard Trade Model

Krugman et.al. Ch. 5, and 6

***May 22*** External Economies of Scale and the International Location of Production

Krugman et.al. Ch. 7 and 8

***May 27*** No class on Memorial Day

***May 30*** 1st Midterm Exam

***June 3***  National Income Accounting, Trade Balance and Balance of Payments, Ch.13

***June 5***  Currency Exchange Rates, the Foreign Exchange Market, Ch.14

Money, Interest Rates, and Exchange Rates, Ch.15

***June 10th*** Price Levels and the Exchange Rate in the Long Run, Ch.16

Output and the Exchange Rate in the Short Run, Ch.17

***June 12th*** Fixed Exchange Rates and Foreign Exchange Intervention, Ch.18

International Monetary Systems: an Overview, Ch.19

***June 17th*** Optimum Currency Areas and European Experience, Ch.20

Financial Globalization: Opportunity and Crisis, Ch.21

***June 19th*** 2nd Midterm Exam

Please note that the course syllabus is subject to change due to time constraint and/or any other reasons, which in the lecturer’s professional judgment will be of benefit to students. At the discretion of the instructor, there may be adjustments to the syllabus and/or course material, lecture and/or exam, including additional assignments, etc.

**Policy : No make-up exams** **will be given,** regardless of reason, except when required under University regulations. I will only give a makeup midterm and final if:

1. You are very ill and have to be under a physician’s care for this condition. Supply of a note from your physician has to be provided.
2. An immediate family member is very ill or has an emergency situation and you have a good reason why this prevents you from attending the exam. I will be the judge of whether your reason is good enough.

Note : The makeup exam will be held by the university testing center. You have to notify me in advance to arrange the appointment with the testing center.

***SOME IMPORTANT UNIVERSITY POLICIES:***

|  |
| --- |
| “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.” (www.hr.utah.edu/oeo/ada/guide/faculty/)  “All students are expected to maintain professional behavior in the classroom setting, according to the Student Code, spelled out in the Student Handbook. Students have specific rights in the classroom as detailed in Article III of the Code. The Code also specifies proscribed conduct (Article XI) that involves cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students should read the Code carefully and know they are responsible for the content. According to Faculty Rules and Regulations, it is the faculty responsibility to enforce responsible classroom behaviors, beginning with verbal warnings and progressing to dismissal from class and a failing grade. Students have the right to appeal such action to the Student Behavior Committee.”  “Faculty…must strive in the classroom to maintain a climate conducive to thinking and learning.” PPM 8-12.3, B. “Students have a right to support and assistance from the University in maintaining a climate conducive to thinking and learning.” PPM 8-10, II. A. The Student Code is spelled out in the course schedule. Students have specific rights in the classroom as detailed in Article III of the code. The code also specifies proscribed conduct (Article XI) that involve cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students may receive sanctions for violating one or more of these proscriptions. The instructor of this class will enforce the code in this course; cheating and plagiarism will result in appropriate penalties, such as a failing grade on a specific exam or in the course and/or expulsion from the course. Students have the right to appeal such action to the Student Behavior Committee.”  “The syllabus is not a binding legal contract. It may be modified by the instructor when the student is given reasonable notice of the modification.” “Attendance requirements & excused absences: The University expects regular attendance at all class meetings. An instructor may choose to have an explicit attendance requirement. Physical attendance may be used as a criterion in determining the final grade only where it indicates lack of participation in a class where student participation is generally required or as required by accrediting bodies. Any particular attendance requirements of a course must be available to students at the time of the first class meeting.” “Students absent from class to participate in officially sanctioned University activities (e.g., band, debate, student government, athletics) or religious obligations, or with instructor's approval, shall be permitted to make up both assignments and examinations. The University expects its departments and programs that take students away from class meetings to schedule such events in a way that will minimize hindrance of the student's orderly completion of course requirements. Such units must provide a written statement to the students describing the activity and stating as precisely as possible the dates of the required absence. The involved students must deliver this documentation to their instructors, preferably before the absence but in no event later than one week after the absence.”“Some of the readings, lectures, films, or presentations in this course may include material that may conflict with the core beliefs of some students. Please review the syllabus carefully to see if the course is one that you are committed to taking. If you have a concern, please discuss it with me at your earliest convenience. For more information, please consult the University of Utah’s Accommodations Policy, which appears at: www.admin.utah.edu/facdev/accommodations-policy.” |