## logoHAIGAZIAN UNIVERSITY

**Faculty of Business**

**Department of Economics**

**Course Syllabus**

**International Economics**

**ECO 281**

**Spring 2016-2017**

**No. of credits 3**

**Instructor: Dr. Fadi Asrawi**

**Office: Aharonian bldg**

**Campus Tel. Ext.:** 377

**Email:** fadi.asrawi@haigazian.edu.lb

**Office Hours: MWF 9-10; 11-12**

**T-TH 8-9**

**Class Location:** C-307

**Class Time:** T-TH 9:15-10:30

**COURSE DESCRIPTION**

An introduction to the theory of international trade and finance with emphasis on the study of the gains from international specializations and exchange, mechanisms of inter-country economic relations, balance of payments, correction of imbalances in international trade flows, and effects and purposes of restrictions on trade. Attention is given to major contemporary international trade problems.

**PREREQUISITES & PREPARATION**

This course requires prior knowledge of intermediate microeconomics.

**LEARNING OBJECTIVES & OUTCOMES**

The objective of the course is to provide students with a good understanding of the economic theory of trade and tools of analysis, enabling them to better understand the trade issues facing the world as well as the complexities of the global economy and international trade relations.

**Objective 1**: To learn, understand, and apply economic theories of international trade.

**Outcome:**

1. Students will explain why countries trade and the gains from trade.
2. Students will understand and apply specific trade models such as comparative advantage, factor endowment, and new models based on increasing returns.
3. Students will apply these trade models to explain patterns of international trade in goods and services.

**Assessment:**

1. Individual exercises, case studies, tests, and group country project.

**Objective 2**: To learn and understand the political economy of international trade.

**Outcome:**

1. Students will be able to explain who gains and who loses in different trade models.
2. Students will be able to use cost-benefit analysis to evaluate trade policies.
3. Students will understand trade laws, and the national and international institutions central to trade.
4. Students will be able to evaluate economic integration and conflicts across countries.
5. Students will be able to evaluate strategic trade policies from the perspective of nations and companies.

**Assessment:**

1. Individual exercises, case studies, tests, and group country project.

**Objective 3:** Learn and understand the central issues in international macroeconomics.

**Outcome:**

1. Students will be able to read and interpret a nation's balance of payments and related accounts.
2. Students will be able to explain how exchange rate is determined in the long run and the short run.
3. Students will be able to explain the pros and cons of different exchange rate regimes.
4. Students will be able to explain the effectiveness of national macroeconomic policy in an interdependen**t global economy.**

**Assessment**:

1. Individual exercises, case studies, tests, and group country project.

**COURSE REQUIREMENTS & COMPONENTS**

**Required Materials:**

TEXTBOOK: International Economics: Theory and Policy, by Paul Krugman, 10th edition, 2014, Pearson Publishers.

**Course Format: Lecture**

**COURSE CONTENT**

TOPIC                                                                          CHAPTER

**Chapter 1** Introduction 1

**Chapter 2**  World Trade: An Overview 3

**Chapter 3**  Labor Productivity and Comparative Advantage: The Ricardian Model 7

**Chapter 5**  Resources and Trade: The Heckscher-Ohlin Model 21

**Chapter 6**  The Standard Trade Model 27

**Chapter 9**  The Instruments of Trade Policy 45

**Chapter 12**  Controversies in Trade Policy 63

**Chapter 13 (2)[[1]](#footnote-1)**  National Income Accounting and the Balance of Payments 69

**Chapter 14 (3)** Exchange Rates and the Foreign Exchange Market: An Asset Approach 75

**Chapter 15 (4)** Money, Interest Rates, and Exchange Rates 83

**Descriptions** *(of assignments & tests)*

**ASSESSMENT & EVALUATION/IMPORTANT DATES**

|  |  |  |
| --- | --- | --- |
| **Assignment/test/other** | **Dates** | **Percentage** |
| Exam 1 | TBA | 25% |
| Project | TBA | 25% |
| Final exam | TBA | 40% |
| Attendance & participation |  | 10% |

**COURSE POLICIES & CLASS RULES**

**Attendance:**

The maximum number of absences is in accord with university regulations. (“The University allows students to miss **a maximum of 6 class periods during a 3-credit course that meets three times a week**, and 4 class periods during a 3-credit course that meets twice a week. If a student misses sessions he/she will be warned by the instructor with a Notification of Excessive Absences.”) You are strongly advised not to miss a single session. Your presence and participation in class enrich the learning experience for all of us.

**Conduct:**

Students are expected to arrive in class punctually and to show a respectful attitude at all times. No eating or drinking in class is allowed, and mobile phones must be turned off.

**Academic Honesty:**

Each student is responsible for performing academic tasks in such a way that honesty is NOT in question.

On pages 32-33 of the Haigazian University Catalog, rules of conduct concerning academic honesty are stated. They are applied in this course.

***Plagiarism:***

Plagiarism is committed when you take personal credit for work done by someone else, be it your friend, a classmate, or an author’s publication, hard copy or electronic. In citing any information from the literature, you need to provide an accurate reference, fully acknowledging the source, the author, and the year. Even when the information is completely rephrased in your own words, you still need to acknowledge the original source.

**Classroom Management System:**

‘Classroom Management’ is Haigazian’s online course management system. You need to check your courses regularly as course materials, assignments, and announcements are posted on it.

To access ‘Classroom Management’:

* On the HU website: ‘My HU’ then ‘Classroom Management’
1. *International Economics* Chapters 13-22 are renumbered for *International Finance* as Chapters 2-11. [↑](#footnote-ref-1)