

Department: Economics and Finance

Course Name: International Economics **Course No.:** ECON 643

Prerequisite: N/A **Credit Hours:** 3

Brief Description:

This course aims to provide an analysis of the economic relationships between countries, covering the trade and monetary aspects of the world economy. Students will be provided with a thorough background to the four major windows of the world economy such as international trade, international production, international finance and international development. Major topics include: world trade theories and policies, national income accounting and the balance of payments, foreign exchange market and exchange rate determination and monetary and fiscal policies in the open economy.

Course Objectives:

After completion of this course the student will be able to:

- Describe the trade and monetary issues of the world economy.
- Compare the different theories of international trade based on absolute and comparative advantage, inter-industry and intra-industry trade and the different theories of balance of payments and exchange rate determination.
- Demonstrate analytical, computational and critical thinking skills to solve and interpret issues and cases related to international trade and finance.
- Analyze trade and macroeconomic policies and their impact on the world economy

Course Topics:

- An introduction to international economics
- World trade: an overview
- Comparative advantage and the gains from trade
- Comparative advantage and factor endowment: the Heckscher-Ohlin Model
- Beyond comparative advantage: inter-industry and intra-industry trade
- International trade policy: the instruments of trade policy
- The political economy of trade policy
- National income accounting and the balance of payments
- Exchange rates and the foreign exchange markets
- Money, interest rates and exchange rates
- Price levels and the exchange rate in the long run
- Output and the exchange rates in the short run

Text Book:

- International Economics: Theory & Policy by Krugman-Obstfeld-Melitz, 9th edition (2012), New York USA: Pearson.
- An Introduction to International Economics: New Perspective of the World Economy, Kenneth A Reinert, 1st edition (2012), Cambridge, UK: Cambridge University Press

Additional References:

Giancarlo Gandolfo (1987) International Economics Volume 1: The Pure Theory of International Trade, Berlin, Germany: Springer-Verlag Berlin Heidelberg.

Online Resources:

- <http://www.economist.com>
- <http://www.worldfinance.com>
- <https://www.wsj.com/news/markets>
- <https://www.ft.com/markets>

Measurement & Assessment Tools:

Objectives			Obj 1.1 & 1.2	Obj 2.2	Obj 3.1
Assessment tools	Grade	Week (Time period)	1	2	3
Midterm test	25	9 th	✗		
Class work	10	12 th			✗
Assignments	15	15 th		✗	
Final exam	50	As Dated	✗		
Total	100				
Extra credit					
Not Required					

Tentative Course Outline:				
Week	Hours	Topics	Readings	
1	3	Introduction to international economics		
2	3	World trade: an overview		
3	3	Comparative advantage and the gains from trade		
4	3	Comparative advantage and factor endowment: the Heckscher-Ohlin Model		
5	3	Beyond comparative advantage: inter-industry and intra-industry trade		
6	3	International trade policy: the instruments of trade policy		
7	3	The political economy of trade policy		
8	3	National income accounting and the balance of payments		
9	3	Exchange rates and the foreign exchange markets		
10	3	Money, interest rates and exchange rates		
11	3	Money, interest rates and exchange rates		
12	3	Price levels and the exchange rate in the long run		
13	3	Output and the exchange rates in the short run		
14	3	Flexible and fixed exchange rates and foreign exchange intervention		
15	3	International monetary system		
16	3	Revision		

Approved by Dept. Chair:

Date of Approval:

Extra Information: (Updated every semester and filled by course instructor)

Course Instructor: Dr _____
Office No: _____
Extension: _____
Email: _____
Office Hours: _____