

COURSE SPECIFICATION DOCUMENT

NOTE: ANY CHANGES TO A CSD MUST GO THROUGH ALL OF THE RELEVANT APPROVAL PROCESSES, INCLUDING LTPC.

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| Academic School/Department: | Business and Economics |
| Programme: | BA (Hons) Economics with Combined Studies BA (Hons) International and Development Economics - <i>pending</i> BA (Hons) Financial Economics - <i>pending</i> |
| FHEQ Level: | 6 |
| Course Title: | International Economics |
| Course Code: | ECN 6210 |
| Course Leader: | Sabine Spangenberg |
| Student Engagement Hours: | 120 |
| Lectures: | 35 |
| Independent / Guided Learning: | 75 |
| Semester: | Fall/Spring |
| Credits: | 12 UK CATS credits 6 ECTS credits 3 US credits |

Course Description:

The course considers theoretical concepts of international specialization and world trade, commercial policy approaches and monetary issues of international economics such as balance of payments, foreign exchange rates and payment mechanisms. It also addresses current issues of international economics.

Pre-requisites: ECN 5205 or ECN 5400

Aims and Objectives:

The Course aims to familiarise students with the principles of international economics. The theories of international trade and international monetary economics will be considered. These concepts are essential for understanding and evaluating international economic situations and problems. In particular, the course considers international specialisation, the development of world trade, commercial policy, balance of payments, foreign exchange rates and payment mechanisms as well as current developments within the international economic framework.

Programme Outcomes:

A1, A4, A5

B1, B2, B4
C1-C3, C6, C7

A detailed list of the programme outcomes are found in the Programme Specification. This is located at the Departmental/Schools page of the portal.

Learning Outcomes:

Upon completion of this course, a successful student should be able to

Knowledge and Understanding

1. Demonstrate an in-depth understanding of the key theories and concepts in international economics.
2. Formalise axioms such as the free trade axiom and critically appraise institutional frameworks such as exchange rate mechanisms.
3. Illustrate a critical understanding of the welfare implications of international economics.
4. Critically analyse the absolute and comparative production advantages.
5. Evaluate the international economic framework of trade and monetary interconnection.
6. Apply international economic models to relevant topics.

Subject-Specific Skills:

1. Make use of abstract, graphical and mathematical methods of analysis.
2. Assess the appropriateness of a theoretical approach to a given situation, and apply appropriate microeconomic and macroeconomic models to given scenarios.
3. Communicate the assessment and the limitations of the given models.

Other Skills:

1. Show critical awareness of cost and benefit implications of international economic relations.
2. Make use of marginal analysis in partial and general equilibrium models.
3. Synthesise various incentive structures for economic behaviour within the international economic framework.
4. Analyse equilibrium and disequilibrium situations in real international economics and monetary international economics. They are critically aware of the adjustment mechanisms in terms of goods price development or exchange rate fluctuations.
5. Carry out comparative welfare analysis of the concepts of international exchange, specialisation etc.

Indicative Content:

1. Principles of Absolute and Comparative Advantage (Ch. 2)
2. Standard Theory of International Trade (Ch. 3, 4) **(12)**
3. Factor Endowment, Market Structure Relevance, Economic Growth (Ch. 5,6,7) **(4)**
4. Tariffs and Non-Tariff Trade Barriers (Ch. 8,9)
5. Economic Integration, Economic Development, International Resource Allocation (Ch. 10, 11,12) **(6)**
6. Balance of Payments and Foreign Exchange Markets: Rates and Determination (Ch. 13,14,15) **(9, 13)**

7. Price Adjustment Mechanisms (Ch. 16) (10)
8. Income Adjustment Mechanism (Ch. 17)
9. Open Economy Macroeconomics: Policies (Ch. 18,19), (10)
10. European and International Monetary System (Ch. 20, 21) (11)
11. Seminars on Topics like International Trade Structures, Trade Agreements and Monetary Unions, International Wage Differentials and Migration, Sovereign Debt Crisis etc.

Assessment:

This course conforms to the Richmond University Standard Assessment Norms approved at Academic Council on June 28, 2012.

Teaching Methodology:

The course is lectured twice weekly. Student participation is essential and group discussions are a vital part of learning. Students are expected to undertake independent study and research to compose a written assignment the findings of which have to be presented in class.

Bibliography:

Core Text:

Salvatore, D. (2010) *International Economics*, 10th ed., Hoboken: Wiley

Additional Reading (bold numbers in parenthesis indicate required readings)

Bernhofen, D, Brown, J. (2004) An Empirical Assessment of the Comparative Advantage Gains from Trade: Evidence from Japan, in: *Journal of Political Economy*, Issue 1.

Belke, A. (2011) The Euro crisis management Framework: Consequences for Convergence and Institutional Follow-Ups in: *Journal of Economic Integration*, Vol. 26 (4): 672-704.

Bertraut, C.C., Kamin, S. B., Thomas, C.P. (2009) How long can the unsustainable U.S. current account deficit be sustained, in: *IMF Staff Papers*, 56 (3): 596-627. **(9)**

Bhagwati, J., Panagariya, A., Srinivasan T.N. (2004) The Muddles Over Outsourcing in: *Journal of Economic Perspectives*, 18 (4): 93-114.

Borzenstein, E., Panizza, U. (2009) The Cost of Sovereign Debt Default, in: *IMF Staff Papers*, 56 (4): 683-741.

Brander J., Spencer, B., (1985) Export Subsidies and International Market Share Rivalry, in: *Journal of International Economics*, Vol. 18. **(10)**

Cattaneo, N. (2009) Production networks, economic integration and the service sector: Implications for regional trade agreements in southern Africa, in: *Journal of Contemporary African Studies*, 27 (4): 527-546. **(6)**

Dornbusch, R., Fischer, S., Samuelson, P. "Comparative Advantage, Trade and Payments in a Ricardian Model with a Continuum of Goods," in: *The American Economic Review*, Vol. 67(5), December 1977, pp. 823-839.

