

Class Meeting: MWF 2:45-3:50pm; MI 208

Instructor: Dr. Scott Hegerty

Office: Campbell 202

Office Hours: MWF 10-11am and by appointment (MWF)

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Description: International trade and financial issues continue to make headlines, influence political decisions, and affect people's everyday lives. This class approaches international economics at a level that is useful for students in such fields as business, international relations, political science or history, as well as others who wish to study such an important topic systematically.

The course is divided into two roughly equal parts: International Trade, which covers the movement of "real" goods and factors of production, and International Finance, which involves monetary and financial transactions. Trade topics include why countries trade and how they benefit, trade barriers, and trade policy; financial topics include exchange rates and macroeconomic policy.

While the focus of the course is on policy applications, mathematical and analytical tools will still be at the core of the class. The goal is to enhance students' understanding of pertinent issues, however, rather than on the tools themselves.

Prerequisites: ECON 199 (Principles of Economics).

Text: Robert C. Feenstra and Alan M. Taylor, *International Economics*, Worth Publishers 2008. Additional readings may be assigned.

Grading: Grading will be according to the following system. A total of 150 possible points will be assigned, broken down as follows:

Midterm	25 points
Final Exam	25 points
Homeworks (6)	5 points each, 30 points total
Quizzes (4)	5 points each, 20 points total
Short papers (2)	25 points each, 50 points total

Any specific breakdown (such as how many points is a B+) depends on the students' overall performance and will be explained in class. Quizzes will be given randomly, so students should be prepared at all times. If more than 4 are given, only the top 4 will be counted. Homework may not be announced in advance, but students will have at least seven days to complete an assignment once it is handed out.

Papers: Students will be expected to write two short papers throughout the semester. Each should be 5-7 pages long, double-spaced and correctly formatted, excluding graphs and bibliography. One must be related to international trade and the other to international finance. Each should be an analysis of a relevant issue (to the U.S. or to any country), to be chosen by the student in consultation with the instructor, and incorporating the analyses covered in class. Due dates are given below.

Disability Services:

If you have a disability and would like to speak to someone about possible accommodations, please visit the Learning Center located on the first floor of 635 College Street. You will need to provide appropriate documentation of your disability to the Director of the Learning Center. If you wish to receive accommodations in class please bring the instructor the Accommodation Verification Letter, dated for this semester, as soon as possible so your learning needs may be appropriately met.

Attendance:

Economics is about choices—and the choice whether to attend is one of them. Choices have costs involved, however; in this case, missed homeworks and quizzes, and poorer test performance. While missed classes do not directly enter into your final grade, please bear these costs in mind if you choose to miss class without a valid excuse.

Missed tests or paper deadlines require valid excuses as well—the deadlines are strict, so plan ahead now. Make-up tests will NOT be given. If you have a valid excuse (religious observation, or documented illness or bereavement), I will adjust your grade based on your other tests.

Course Outline:

Wednesday, August 27 First day of class

International Trade: Ricardian Model (Ch. 2), Specific-Factors Model (Ch. 3), and Heckscher-Ohlin Model (Ch. 4); Factor Movements (Ch. 5); Tariffs and Quotas (Ch. 8 and 10); Trade Policy (Ch. 11)

Wednesday, October 8 Paper #1 due
Friday, October 10 Midterm Exam
FALL BREAK
Monday, October 20 Class resumes

International Finance: Exchange Rates (Ch. 13, 14, and 15); National Accounts (Ch. 16); Output and Policy (Ch. 18); Exchange-Rate Regimes (Ch. 19); Special Topics (Ch. 22)

Wednesday, November 12: NO CLASS
Friday, November 28: NO CLASS
Wednesday, December 10 Paper #2 due; last day of class
Monday, December 15 Final Exam (Finance) 2-5pm