

Class Meeting: MWF 8:45-9:50am; MI 208

Instructor: Dr. Scott Hegerty

Office: Campbell 202

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

E-mail: hegertys@beloit.edu

Description: This course is intended to give students an *intermediate*-level overview of international economics. The course will be divided into two sections: International Trade, or the “real” movement of goods, services, and factors of production; and International Finance, which will focus on flows of capital, exchange-rate determination, and macroeconomic issues.

Both sections will themselves be devoted to theory and policy, with more emphasis on theory. By the end of the class, students will be able to analyze the determinants of trade flows, the effects of various trade policies, exchange-rate determination, and fiscal and monetary policy in an open economy. While these topics will all be covered in the course of a single semester, students should find the material useful for further (graduate) study or in an internationally-focused career.

Prerequisites: ECON 211 and 212 (Intermediate Micro and Macro Theory).

Text: Paul R. Krugman and Maurice Obstfeld, *International Economics: Theory & Policy*, Eighth Edition, Pearson 2009. Additional readings may be assigned.

Grading: Grading will be according to the following system. A total of 100 possible points will be assigned, broken down as follows:

Trade exam (take-home)	30 points
Finance exam (take-home)	30 points
In-class final (comprehensive)	10 points
Research paper	30 points

Problem sets will occasionally be assigned, but will not be graded.

Any specific breakdown (such as how many points is a B) depends on the students’ overall performance and will be explained in class.

Paper: Students will be expected to write one research paper. It should be 12-15 pages long, double-spaced and correctly formatted, excluding graphs and bibliography. It can be on any topic, either related to international trade or to international finance, but must be approved by the instructor. Academic honesty will be discussed in class.

Exams:

Exams will be take-home, but students will have a time limit. Most likely, I will hand out the exam in class and expect it back at the beginning of the next class. Students will be expected to work on exams *individually*. Any breach of this trust will result in—at minimum—a zero on the test. Likewise, any plagiarism in any form will also result in strict penalties, up to an F in the course.

Disability Services:

If you have a disability and would like to speak to someone about possible accommodations, please visit the Learning Enrichment and Disability Services office located on the second floor of Pearsons. You will need to provide appropriate documentation of your disability to the Director of the Learning Enrichment and Disability Services Office. If you wish to receive accommodations in this class, you must have an Accommodation Verification Letter from the Director, dated for this semester, as soon as possible so your learning needs may be appropriately met.

Attendance:

Because this class covers a lot of material in a short time, there is little opportunity to repeat material for the benefit of those students who chose to miss the previous lecture. As a result, more than two (2) unexcused absences will result in a letter grade being lowered by one-third of a letter (e.g. B to B-). Further reductions will be applied for additional absences. The instructor will take daily attendance.

Missed test or paper deadlines require valid excuses as well—the deadlines are strict, so plan ahead now. Extensions 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 work.

Course Outline:

Wednesday, January 21 First day of class

International Trade: THEORY: Comparative Advantage (Ch. 3), Heckscher-Ohlin Model (Ch. 4), Standard Trade Model (Ch. 5), "New Trade Theory" (Ch. 6), Factor Movements (Ch. 7); POLICY: Tariffs and Quotas (Ch. 8); Policy Issues (Ch. 10 and 11)

TBD

Trade Exam DUE

International Finance: Balance of Payments (Ch. 12), Exchange-rate Determination (Ch. 13, 14, and 15); Macroeconomic Policy Under Fixed and Floating Rates (Ch. 16, 17, and 19)

Wednesday, May 6

Paper due; last day of class

Tuesday, May 12 9am

Finance Exam DUE; in-class exam

Other Important Dates:

SPRING BREAK (Week of March 9-13) NO CLASS

Wednesday, April 22

NO CLASS