

# Economics 351: Introduction to International Economic Relations

Fall 2006

Section 002: TR, 12:30pm-1:45pm

Room: Bolton B95

## Instructor Information:

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Office Hours: MW 2:45-3:45 or by appointment

## Objectives of the Course:

The movement of goods, services, labor, and capital across national borders has an impact on all our lives. This course provides a one-semester survey of the theory behind why scarce resources move between countries, as well as the policy designed to alter or direct these flows. The course will be divided into two sections. *International Trade* examines the “real” side of international economics—goods, services, and factors of production—and such policies as tariffs and quotas. *International Finance* looks at exchange rates and the movement of financial capital among countries. Throughout the course, we will look at individual producers and consumers, economics at the national level, and multinational economic actors.

## Prerequisites:

An introduction to both Microeconomics and Macroeconomics (Econ 100 or Econ 103/104) is required. Students should be familiar with the basics of Supply and Demand, as well as high-school algebra; more difficult material will be explained as we go along.

## Text and Materials:

The required text for this course is *International Economics: A Policy Approach* (10<sup>th</sup> edition, Publisher: Thompson-South Western), by Mordechai Kreinin. The text is available at the UWM Bookstore.

## Course Outline:

Introduction (Ch. 1)

### INTERNATIONAL TRADE:

Theories Behind Why Nations Trade (Ch. 2 and 3)

Barriers to Trade (Ch. 4 and 5)

U.S. Commercial Policy (Ch. 6)

Developed Countries' Trade Policies (Ch. 7)

Less- Developed Countries' Trade Policies (Ch. 8)

Foreign Investment and Labor Movements (Ch. 9)

### INTERNATIONAL FINANCE:

Statement of International Transactions (Ch. 10)

Market-Determined Exchange Rates (Ch. 11)

The International Currency System (Ch. 12)

Adjusting the Balance of Payments (Ch. 13)

Effects of Exchange-Rate Adjustments (Ch. 14)

Alternative Exchange-Rate Regimes (Ch. 16)

Historical Survey\* (Ch. 17)

\*May be discussed in parts throughout the semester

## Grading:

There will be two exams, a midterm covering International Trade, and a final covering International Finance. The format of the exams will be a mix of short answers and analytical

questions. Your letter grade for this course will be determined by the total points you earn relative to the total points other students enrolled in this course earn.

The material builds upon itself, so keeping up to date with the readings and lectures is very important. Typically, lectures will extend the results from the previous class. Missing lectures will greatly enhance the difficulty of the course. If there are concepts that you find confusing, please ask for help as soon as you can.

The grading breakdown will be as follows:

Midterm:40% (Tuesday, October 24)

Final:40% (December 19 @ 12:30pm)

Homework/Attendance/Participation: 20%

Late homework will not be accepted. Make-up exams will only be given if documentation is provided (e.g. Grandmother's obituary, doctor's excuse, police report, Jury Duty/court summons).

**Attendance:**

Although I will keep a record of attendance, there is no direct penalty for missing class—except that it is much harder to get a good grade if you don't show up. A good record of attendance may factor in positively in the final grade.

**Note:**

Academic misconduct (including cheating on an examination, submitting others' work as one's own or submitting work previously presented in another course) will result in a grade of zero on the assignment or test, and can lead to an F in the course—as well as probation, suspension or expulsion from the University. Academic conduct procedures are specified in Chapter UWS 14 and the UWM implementation provisions (Faculty Document 1686). *Rule of Thumb:* If you need to look it up to determine “is it misconduct?,” *it probably is.*

Information on Economics Department policies on participation by students with disabilities, accommodation for religious observance, academic conduct, complaint procedures, grade appeal procedures, and harassment is available at the main office of the Economics Department in Bolton 868. **If you need any special accommodation, please see me as soon as possible and I will be glad to help.**