

Syllabus “International Economics”

2013/2014

Code: 102387

ECTS: 6

Degree	Year	Semester
1102 Business Management and Administration (EHEA Degree) (English)	1	2

Contact

Name (coordinator): Jordi Rosell Foxa

E-mail: Jordi.Rosell@uab.cat

Department: Economia Aplicada

Language

English

Prerequisites

A working knowledge of the material of the courses “Principle of Economics” and “Business Economics” is required. The student has to handle a general understanding of the fundamentals of the current trends and tendencies of the global macroeconomy and international relations.

Objectives

The principal objectives of the course are the following ones:

- Introducing the basic tools to disentangle and analyze the international economic relations;
- Identifying the problems issuing from the international economic relations;
- Presenting the most important theoretical approaches of the international economic transactions in particular referring to the international trade and relative trade policies;
- Providing an overview (from an empirical and theoretical viewpoint) of the international economic integration;
- Introducing the main features of the international economic institutions, their objectives and their range of action.

Competences and learning outcomes

Competence: Understanding the basic concepts in the field of the international economic relations

Outcome of learning:

- Defining the concepts associated with trade, monetary and financial relations among countries;
- Understanding the main features and insights of the trade relations among countries;
- Understanding the problems generated by the economic relations among areas adopting different currencies.
- Describing the international movements of factors and presenting the most relevant destinations.
- Introducing the basic sources of data to refer to in international economics.

Competence: Understanding the nature of the economic relations and the role of international organizations.

Outcome of learning:

- Knowing the theoretical approaches of trade policies;
- Analyzing the effects of the principal trade policy tools;
- Learning the meaning and the rational of the trade integration processes;
- Understanding the features of the international monetary system;
- Providing the economic interpretation of tables of data, graphics and documents about the principal determinants of the international economic relations.

Competence: Cross-disciplinary skills

Outcome of learning:

- Ability to select and generate the necessary information for each subject and field.
- Oral and written communication skills to synthesize and present works
- Schedule of job tasks in terms of time management, organization and planning.

Contents

This course is composed of three sections:

- Tools in applied economics;
- International trade;
- International monetary relations;

In the section of **Tools in applied economics**, the following topics are discussed:

- The balance of payments and external imbalances;
- The measure of the intensity and directions of the international trade flows;

In the section of **International Trade** the following topics are considered:

- The principal trade theories and their impact in the definition of the terms of trade;
- The trade policy tools and their effects;
- The trade multilateralism and the role of the World Trade Organization (WTO);
- The economic integration and its different degrees.

In the section of the **International monetary relations** the following issues are tackled:

- The exchange rate regimes and the currency risk;
- The basics of exchanges of currencies;
- The purchasing power parity;
- The Government intervention in exchange markets: exchange rate systems;
- The international monetary system and the role of the IMF;

Methodology

Lectures

Class hours: 35 hours

In these sessions the instructor introduces the material referring to the three sections of the programme:

- Tools in applied economic
- International trade;
- International monetary relations:

He/she will provide guidance through the literature and available material in order to improve the knowledge of the subject.

Practical sessions

Class hours: 15 hours

Design, analysis and resolution of practical exercises in class.

In these sessions there will be discussed practical exercises about:

- The balance of payments;
- Indicators of balance and imbalance in the balance of payments;
- The main indicators of foreign trade;
- The series of exchange rates;
- The indicators of prices, competitiveness, real exchange rate and (nominal and real) effective exchange rate ;
- The study of the size and composition of the international reserves;
- The indicators associated with the international monetary system;
- The indicators concerning the international movements of factors.

Tutorials: monitored activities and lectures

10 hours

Study and reading of the supplied material

62,5 hours

Data collection and processing of information for practical exercises

20 hours

Assessment and learning activities

The assessment of learning will be through:

- 20%: a midterm (written) exam covering the material of the section of Tools in applied economics;
- 15%: Learning activities proposed by the faculty (problem sets, reports, or others)
- 65%: A compulsory final exam covering the section 2-4 of the general programme.

If a student passes the midterm exam with a minimum grade of 4, he/she will be waived to present this part at the final exam.

The minimum overall grade to pass the course is 5. This grade is the weighted average of the scores of the all the activities proposed during the course

If the final overall grade is less than 4, the student must repeat the whole course the next year.

Students whose final overall grade is between 4 and 5 are admitted to a re-evaluation exam. This exam is organized about one week after the final exam at the end of the semester. The re-evaluation exam grants at most 1 point. If a student passes the re-evaluation exam, her/his overall final grade will be 5.

A student is considered as "Absent" for the final overall grade, whenever he/she did not participate to any evaluation activity. Therefore, a student participating to one or more single activities will be graded in accordance to the results of those activities even if he/she does not show up at the final exam.

References

Basic textbooks

Th. Pugel (2009): "International Economics", 14th Edition, Mc Graw Hill

Salvatore, D. (2010): "Introduction to International Economics", 10th Edition, Wiley

Complementary textbooks.

Baldwin, R. and Ch. Wyplosz (2006): Economics of European Integration, 2nd Edition, Mc Graw Hill.

Feenstra, R. and A. Taylor (2008): " International Economics", Worth Publisher

Krugman, Paul – Obstfeld, Maurice. International Economics: Theory and Policy, any edition, Addison Wesley.