

IRCO 403 International Economics

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Section 1: MW 9:30-10:50 AM (Auditorium)
Section 2: MW 11:00 AM-12:20 PM (Auditorium)

Office Hours
M 12:30-2:00 PM (Hanson : RBC 1324)
W 1:30-3:30 PM (Baranga : RBC 1311)

TA Office Hours
Xinke Sun: TBA
Sam Bazzi: TBA

FirstClass Conference:
International Economics

This course surveys important concepts and models in international economics. During the first five weeks, we study a framework that we can use to understand financial flows between countries. We examine what determines exchange rates and the balance of payments and how they influence domestic economies. During the second five weeks, we focus on the international flows of goods and services. We study what determines the pattern of trade between countries and how the gains from trade are distributed between countries and individuals. We also consider how government policies toward trade and foreign investment affect national economies. Throughout the course, we emphasize how economic models can help us understand current international economic events.

The textbook for the course is *International Economics, 2nd edition* by Robert C. Feenstra and Alan M. Taylor (Worth Publishers, 2011), which is available at the UCSD Bookstore (The first edition, which you most likely will find cheaper second hand, is a very adequate substitute).

A good way to check your understanding of the economic concepts developed in this class is to read and analyze newspaper articles on international economic issues. Newspapers and magazines that will keep you up to date on international economic events include *The Wall Street Journal* (<http://online.wsj.com/home/us>), *Financial Times* (<http://news.ft.com/home/us>), *The Economist* (<http://www.economist.com>), or *BusinessWeek* (<http://www.businessweek.com>). We encourage you to read articles related to international trade and financial issues in these sources.

We will use the FirstClass folder, “International Economics,” for communications regarding the class. You can also use this folder to post news articles on international economic issues with your brief comments, to ask questions that were not addressed in class, and for other tasks.

The grade for this course will be determined by:

(1) Two written exams – 70% (35% each). The first exam is scheduled for May 2nd and the second exam will be scheduled during the final exam week.

(2) Four homework problem sets – 24% (6% each). The first homework will be posted on or before April 9, due April 16; the second homework will be posted on or before April 23, due April 30; the third homework will be posted on or before May 14, due May 21; and the fourth homework will be posted on or before May 28, due June 4. Problem sets must be completed individually without any collaboration.

(3) Class participation – 6%. Occasionally, you will be called upon to respond to questions during the class discussion. The quality of your comments will determine the score for class participation.

The following is the schedule for this course. You can find the corresponding chapters of the textbook for each section. The PowerPoint presentations used in lecture will be posted in the “International Economics” folder. Additional readings, if any, will be also posted on the “International Economics.”

1. Exchange Rates (4/2, 4/4, 4/9)

Reading: Feenstra and Taylor, Chapters 12-15

2. Balance of Payments (4/11, 4/16, 4/18, 4/23)

Reading: Feenstra and Taylor, Chapters 16-18

3. Choice of Exchange Rate Regime (4/25, 4/30)

Reading: Feenstra and Taylor, Chapters 19-20

3. Mid-term exam (5/2): *NB to be held in Hojel Auditorium, Institute of the Americas, not the Auditorium*

4. Causes and Consequences of International Trade (5/7, 5/9, 5/14, 5/16, 5/21)

Reading: Feenstra and Taylor, Chapters 2-6

5. Commercial Policy and Trade Agreements (5/23, 5/30, 6/4, 6/6)

Reading: Feenstra and Taylor, Chapters 7-10

6. Final exam to be held during final exam week.