

**International Economics (Econ 231)**  
**Spring 2011**  
**Oxford College of Emory University**  
MW 3:30-4:45

**Instructor:** Dr. Jasminka Ninkovic  
**Office:** Seney Hall, 316  
**Telephone:** (770) 784-4689  
**e-mail:** [jninkov@learnlink.emory.edu](mailto:jninkov@learnlink.emory.edu)

**Office Hours**

MW: 10:30 p.m. – 11:30 p.m.  
Th: 2:00 a.m. – 3:00 a.m. or by appointment

**Book and Support Materials**

Required: James Gerber, *International Economics*, fifth ed., Addison Wesley, 2010 with on-line homework access (MyEconLab);  
P. King & S. King, *International Economics, Globalization, and Policy – A Reader*, fifth ed., McGraw-Hill, 2009;  
Daniel Jergin and Joseph Stanislaw, *The Commanding Heights* video at <http://www.pbs.org/wgbh/commandingheights/lo/story/index.html> (CH)

Recommended: *The Economist*

**Overview of the Course**

Nowadays nations interact in many ways and almost all of these interactions have an economic aspect and/or economic consequence. It is impossible to understand the domestic economy without understanding its interactions with the international economy. In this class we will try to understand the most important theories, policies, and events of international economics.

This is an introductory course to International Economics. Thus, we will not go over the mathematical modeling techniques but we will concentrate on graphic explanations and on economic intuition.

The main players on international scene are individual countries and international institutions. In first part of this course, we will discuss international institutions as well as the theory and policy issues of International Trade. In this section, we will try to answer questions such as “Why do countries trade?”, “Why do countries produce certain goods and import others?”, “Why do countries levy tariffs?”, “What are other kinds of trade restriction?” In second part, we will review the basics of the theory of International Finance and discuss its policy implications. In this section, we will study international macroeconomic issues and relevant current events: balance of payments accounts, exchange rates and previous and recent financial crises.

## **Expected Class Conduct**

Please be respectful toward your classmates and the teacher, honest in your work and prepared for class sessions. If there are any problems or suggestions about the course, please let me know.

## **Examinations and Grading Policies**

In class assignments, participation, attendance: 10%

On-line homework: 10%

Assignments/projects/debate: 20%

Midterm exams (2): 40%

Final-comprehensive: 20%

Bonus points (up to 3%)

Grades are not curved (60-69 is D, 70-79 is C, 80-89 is B and 90 and up is A with pluses and minuses in each range). On-line homework will be due before each unit. It should reflect individual effort and you are not supposed to collaborate on it. Lowest or one missed homework grade will not be counted towards your grade. Details about the assignments/projects/debate will be supplied in class later. These will include short written assignments, presentations, country portfolio and debate. Paper assignments are due at the beginning of the class. Late assignments will not be accepted. You need to be in the class to submit an assignment. Failure to take a test will lead to a score of zero for that test. No exception will be made except in medical emergencies where the other exams will be adjusted. Written verification is required in such cases. Bonus points are given for selected in class and outside of the class assignments.

## **Honor code**

Honor code is strictly enforced in this class. Examples of scholastic dishonesty include (but are not limited to) receiving or giving help on exams or homework and plagiarizing or sabotaging another student's work. The usual penalty for violations of honor code is grade F in this course.

## **Communication and Attendance**

You are responsible for any announcements or assignments made in class.

We will use MyEconLab and Blackboard conference as depository and communication tools for this class.

I strongly encourage you to attend class, participate in class discussion, study regularly, and complete assigned readings and assignments sets in a timely manner.

## **Students Athletes, Students with Accommodations and Religious Holidays**

If there is an interference with your class schedule because of your athletic commitments or religious reasons, please inform your instructor a.s.a.p. Also, if you have accommodations for the class, you are expected to bring in a letter from the responsible college institution a.s.a.p.

## Reading Schedule

<b>Introduction and International Institutions</b> <i>Week 1</i> (Jan 12 – Jan 14) & <i>Week 2</i> (Jan 17 – Jan 23) Jan 17, MLK Holiday	Ch 1 & Ch 2 (Gerber) Bretton-Woods (CH, Episode 1: Ch 1-Ch 6) Appraising the IMF's Performance (Reader: 349-356 pp.) Are We Underestimating..(Reader: 190-200 pp.) J. Stiglitz: <b>Globalization and its Discontents</b> , Ch 1 and Ch 2;
<b>The European Union</b> <i>Week 3</i> (Jan 24 – Jan 30)	Ch 14 (Gerber) Integration and Globalization (Reader: 307-318 pp.) The Euro: Ever More Global (Reader: 300-307 pp.)
<b>Comparative Advantage</b> <i>Week 4</i> (Jan 31 – Feb 6)	Ch 3 (Gerber) International Trade: Why We Don't Have More of It? (Reader: 33-44 pp.)
<b>Beyond Comparative Advantage</b> <i>Week 5</i> (Feb 7 – Feb 13) No class on Feb 9th	Ch 4 & Ch 5 (Gerber) Global Migration:...(Reader: 147-155 pp.) America's Stake (Reader: 155-164 pp.)
<b>The Theory of Tariffs and Quotas</b> <i>Week 6</i> (Feb 14 – Feb 20) <b>Midterm I, Feb 16</b>	Ch 6 (Gerber); How Costly is Protectionism (Reader: 2-19 pp.)
<b>Commercial Policy and Export-Oriented Growth in East Asia</b> <i>Week 7</i> (Feb 21 – Feb 27)	Ch 7 (Gerber) Ch 16 (Gerber) The Global Governance of Trade (Reader: 164 -190 pp.)
<b>International Trade and Labor Environmental Standards</b> <i>Week 8</i> (Feb 28 – March 6)	Ch 8 (Gerber) Labor Standards: Where do They Belong...(Reader: 60-80 pp.) Bridging the Trade-Environment Divide (Reader 44-60 pp.)
<b>Spring Break</b> <i>Week 9</i> (March 7 – March 13)	

<b>Trade and Policy Reform in Latin America</b> <i>Week 10</i> (March 14 – March 20)	Ch 15 (Gerber) Hernando de Soto (CH Episode 3: Ch 16 – Ch 20) Trade in Americas from NAFTA to Bil...(Reader 111-125.pp)
<b>China and India in the World Economy</b> <i>Week 11</i> (March 21– March 27)	Ch 17 (Gerber) What is so Special about China's Exports? (Reader: 200-219 pp.)
<b>Trade and the Balance of Payments</b> <i>Week 12 ( March 28 – April 3)</i> <b>Midterm II, March 30</b>	Ch 9 (Gerber) Does FDI Help Emerging Economies? (Reader 125-135 pp.) Financial-sector FDI and Host Countries: New and Old Lessons (Reader: 333-349 pp.)
<b>Exchange Rates and Exchange Rate Payments</b> <i>Week 13</i> (April 4 - April 10)	Ch 10 (Gerber) China's Controversial...(Reader: 261-266 pp.) Have U.S Import Prices Become Less Responsive (Reader: 135-147pp) To Float or Not to...(Reader: 266-270 pp.) Moving to ...(Reader: 270-281 pp.)
<b>Open Economy Macroeconomics</b> <i>Week 14</i> (April 11 – April 17)	Ch 11 (Gerber) Twin Deficits...(Reader: 219-228 pp.) Why a Dollar...(Reader: 228-238 pp.) Trade Deficits....(Reader 238-253 pp.)
<b>International Financial Crisis</b> <i>Week 15</i> (April 18 – April 24)	Ch 12 (Gerber), Asian Crisis ( CH Episode 3: Ch 5 – Ch 15) Asia Ten Years After & Financial Crisis of the Future (Reader)
<i>Week 16 (April 25, last class)</i> <i>Reading Day –April 27</i>	

### **Final Exam – Comprehensive, TBA**

Note: this syllabus is tentative and the instructor reserves the right to make any changes during the course as deemed necessary. These might include, but are not restricted to, addition or deletion of readings, assignments and changes in the schedule.

