

Econ335: International Economics

Professor Lakshmi K. Raut

Spring 2001, *Thursdays:7:00-9:45PM, Room: MH 404*, phone: (714)278-5481

Office hours Tuesdays, 6:15-7:00PM and Thursdays 1:30PM-4:00PM, 6:15-7:00PM Room #LH 715

E-mail: lraut@fullerton.edu

Home page: <http://business.fullerton.edu/lraut>

The internet site for this course: go to my above home page and then follow the link to Teaching-> Under Spring 2001 click on: Econ335.

1 Course objective

Our main focus in this course will be to understand some of the more recent developments in the international economic orders such as various trade blocs (European Union, NAFTA, ASEAN etc), international capital flows and international financial crises (as in Thailand, Indonesia Korea). To analyze these and other related issues systematically, we must first develop the appropriate economic framework. The course will do all that.

2 Course requirements

There will be a few homework assignments which will not be graded, but you should do them all since one problem in each exam will be taken from these problems and the other problems in the exams will be similar. Partial answer keys will be posted on the course site. During the first three weeks you must meet with me during my office hours to set-up your login id and password for the restricted course material access. Without login id and password, you will not be able to access the material, which is very useful for your course. I will have roll calls on random lecture days. There will be a few debates and you should participate in those debates.

The midterm exam carries 40%, class attendance and participation carries 10% and the final exam carries 50% of the grade. There will be no make-up exam under any circumstances. Some of the course materials may not be available in the text book, I will post them on the course site. You will need a login id and password to retrieve them. It is important to attend all the classes. If you miss any class, please arrange with a classmate for the lecture notes. Since announcements, and course materials will be on the course site, it is essential that you visit the course site very frequently.

I emphasize a great deal on interactive learning. That means you must participate in the dialogues and discussions in the class. This skill will help you in your professional life after you graduate from school.

ELIGIBILITY: Economics 100 or 201.

MID-TERM EXAMS: Mid-Term Exam: Thursday, March 22, 2001 in class.

FINAL EXAM: Thursday, May 24, 2001, 7:30-9:20PM, Room MH404

TEXT: Thomas A. Pugel and Peter H. Lindert, "*International Economics*" **Eleventh Edition**, Irwin McGraw-Hill.

(Abbreviation PL means the above text book)

3 SYLLABUS

Week of	Course Materials
February 1	Introduction, (Chapter 1 of PL)
February 8	The Basic Theory of Trade (Ch. 2 of PL);Ricardian Theory (Ch. 3 of PL)
February 15	Heckscher-Ohlin Theory (Ch. 3 of PL)
February 22	Who gains and who loses from Trade (Ch. 4 of PL);
March 1	Trade and Growth (Ch. 5 of PL)
March 8	Alternative Theories (Ch. 6 of PL); Trade Policies -Tariff (Ch.7 of PL)
March 15	Catch up and Review
March 22	Mid-term exam
April 5	Trade Policies: non-tariff barriers and export promotion Policies (Ch.8,9,10of PL)
April 12	Trade Policies: non-tariff barriers and export promotion Policies (Ch.8,9,10) (continued)
April 19	Foreign Exchange (ch 15, 16, 17, 20)
April 26	Foreign Exchange (ch 15, 16, 17, 20)
May 3	International Lending and Financial Crisis (ch. 26)
May 10	Direct Foreign Investment and the multinationals (ch. 27 of PL)
May 17	Catching up and review of the materials