

# University of Missouri – Columbia

**Fall 2009**

***ECON 3224: Introduction to International Economics***

## **Syllabus**

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## Course Overview

The emphasis of this course will be on the classical models that help us understand international economics, and in the empirical tests of those models, with only a very brief introduction to the policy issues. Students who are interested in a more in-depth treatment of the policy implications of the models and in more modern approaches to international trade should take Economics 4326, which will be offered in the spring.

We will spend about half of the course discussing the trade of goods and services between countries. The second half will be spent on international financial and monetary issues.

## Important note on course announcements

I will be using Blackboard to email announcements to the class as a whole. Some of these may involve important schedule changes. You are required to reply to the first email that you get from me, so that I know you can get my emails.

## Textbook

Robert C. Feenstra and Alan M. Taylor, *International Economics* (available at the campus bookstore).

## Prerequisites

You are assumed to have a good understanding of elementary microeconomics, at the level of ECON 1014, or ECON 1024, or ECON 1051H.

## Class participation

You are encouraged to ask and answer questions in class, and generally to participate in the discussion. From my experience, students that engage in the discussion are more likely to do well in my classes. By contrast, I suggest that you be parsimonious with note taking. An old joke is that when class material is written by the instructor on the blackboard and then by the student on their notebooks it often doesn't pass through the minds of either. Of course, each of you can do what best suits you.

## Course web page

All course materials, including homework, tests, answer keys, etc., will be available through the Blackboard site at: <http://courses.missouri.edu>.

## Grading

The final grade is based on the following requirements:

### 1. Four tests.

The tests are **not** cumulative. There will **not** be a final. The tests are all in class, and are CLOSED BOOK, CLOSED NOTES. Each test is worth 20% of the final grade. There will be **NO** make-up tests. True and certified emergencies are handled by re-

weighting from the other tests. If you are not able to make it to the test dates (see below), you should not enroll in this course.

**2. Eight homework sets.**

The homework sets are worth a total of 20% of your grade. Typically, they will be assigned every second week on a Wednesday and will be due the next Monday, before class begins. You are encouraged to work in a group on the homework sets.

**FINAL GRADING SCHEDULE**

If your total points are	Your grade is:
≥ 90	A
≥ 80	B
≥ 70	C
≥ 60	D
≤ 60	F

**Important dates Academic Integrity Policy**

Academic honesty is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards academic dishonesty as an extremely serious matter, with serious consequences that range from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, or collaboration, consult the course instructor.

**ADA Statement (from Office of the Provost)**

If you need accommodations because of a disability, if you have emergency medical information to share with me, or if you need special arrangements in case the building must be evacuated, please inform me immediately, after class or in my office or by email.

To request academic accommodations (for example, a note taker or extended time on exams), students must also register with the Office of Disability Services (<http://disabilityservices.missouri.edu>), S5 Memorial Union, 882-4696. It is the campus office responsible for reviewing documentation provided by students requesting academic accommodations, and for accommodations planning in cooperation with students and instructors, as needed and consistent with course requirements. Another resource, MU's Adaptive Computing Technology Center, 884-2828, is available to provide computing assistance to students with disabilities. For other MU resources for students with disabilities, click on "Disability Resources" on the MU homepage.

## Intellectual Pluralism Statement (from Office of the Provost)

The University community welcomes intellectual diversity and respects student rights. Students who have questions concerning the quality of instruction in this class may address concerns to either the Departmental Chair or Divisional leader or Director of the Office of Students Rights and Responsibilities (<http://osrr.missouri.edu/>). All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

### Important dates and reminders

- August 31: last day to add the class.
- **September 18 (FRIDAY): TEST 1.**
- September 28: last day to drop the class without a grade.
- **October 16 (FRIDAY): TEST 2.**
- November 2: last day to withdraw from the class.
- **November 9 (MONDAY): TEST 3.**
- **December 9 (WEDNESDAY): TEST 4. Last day of classes.**

## TENTATIVE SCHEDULE OF CLASSES

DATES	TOPICS	READINGS
<b>PART ONE: CAUSES AND CONSEQUENCES OF INTERNATIONAL TRADE</b>		
Aug. 24, 26, 28, 31, Sep. 2	Causes of international trade when countries have different technologies; the gains to two countries engaged in international trade.	Chapter 2
Sep. 4, 9, 11, 14, 16	Gains and losses to the factors of production in the short-run.	Chapter 3
<b>Sep. 18</b>	<b>Test 1</b>	
<b>PART TWO: THE STANDARD MODEL OF INTERNATIONAL TRADE</b>		
Sep. 21, 23, 25, 28, 30, Oct. 2	Causes of international trade when countries have different resources; gains and losses to the factors of production in the long-run.	Chapter 4 Appendix to chapter 4
Oct. 5, 7, 9	Tariffs: an introduction.	Chapter 8 (excerpts, with specific pages to be announced in class)
Oct. 12, 14	International negotiations: an introduction.	Chapter 11 (excerpts, with specific pages to be announced in class)
<b>Oct. 16</b>	<b>Test 2</b>	

## TENTATIVE SCHEDULE OF CLASSES (CONTINUED)

DATES	TOPICS	READINGS
<b>PART THREE: MODELS OF CURRENCY EXCHANGE RATES</b>		
Oct. 19, 21, 23	The institutional framework of currency exchange rates	Chapter 13
Oct. 26, 28, 30	Exchange rate determination in the long-run	Chapter 14
Nov. 2, 4, 6	Exchange rate determination in the short-run	Chapter 15
<b>Nov. 9</b>	<b>Test 3</b>	
<b>PART FOUR: THE BALANCE OF PAYMENTS</b>		
Nov. 11, 13, 16	National income accounting	Chapter 16
Nov. 18, 20, 30	The balance of payments I	Chapter 17
Dec. 2, 4, 7	The balance of payments II	Chapter 18
<b>Dec. 9</b>	<b>Test 4</b>	