

Texas A&M University-Corpus Christi
College of Business
Course Syllabus
Fall 2015

- Course Number:** ECON 5335 W: 7.00pm-9.30pm
- Course Name:** International Economics
- Room:** OCNR 117
- Instructor:** Patrick M. Crowley
- Office:** OCNR 373
- Phone:** (361) 825-6011
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- Office Hours:** T, R: 3:30pm-5:00pm
W: 12:30pm-3:30pm
and by appointment
- Internet:** Homepage: <http://www.patrickmcrowley.com>
E-mail: patrick.crowley@tamucc.edu
Blog: <http://patrickmcrowley.blogspot.com>
Twitter : <https://www.twitter.com/ProfPCrowley>
- Required Material:** Class handouts
and
Financial Times of London (FT) *or* The Economist magazine.
Digital subscriptions are available to both of these economic and financial media outlets.
- Optional Materials:** Business newspapers and magazines such as *Financial Times*, *Wall Street Journal*, *The New York Times* and *The Economist*.
- Prerequisites:** ECON 5311 – Foundations of Economics
- Instructional Methodology:** Lecture, class discussions, quizzes and activities, assignments.

COURSE DESCRIPTION

What is international economics?

International economics deals with how an economy interacts with the rest of the world, and how policies in one country can affect other countries. The international component of microeconomics deals with international trade and what determines why trade occurs, how much is traded and which countries produce specific goods and services for trade. The international component of macroeconomics deals with foreign exchange rate determination and how government policies in one country can affect the state of the another country's economy. An understanding of international economics can help entrepreneurs and businesses to maximize their international exposure in foreign markets while minimizing their risk from adverse international events.

Catalog description

Analysis of why international trade takes place, and how private agents react to changes in government policies. Determination of exchange rates, exports, imports, capital flows, employment, prices, interest rates, and economic growth are the focus of simple analytical techniques. Monetary and fiscal policies are also examined in an international macroeconomic context.

Course objectives

The objective of the course is for students to acquire an understanding of some of the basic notions and concepts used in international economics. This not only involves understanding basic international trade theory but also involves appreciating how exchange rates are determined and how international events can impact other countries like the United States.

Learning Objectives:

By the end of this course, students will be able to:

1. Understand the nature of the inter-linkages between countries.
2. Comprehend the basic tenets of international trade theory.
3. Be able to assess the effects of protectionist trade policies on individual domestic markets using diagrammatic analysis.
4. Appreciate the usefulness and limits to international trade theories.
5. Appreciate the international nature of money and how exchange rates are determined.

Relationship to other MBA courses:

An understanding of why and how the U.S. interacts with the rest of the world is necessary for one to appreciate or participate in current policy debates and to make decisions about whether to expand into, or source from foreign markets. Economic considerations are pervasive in public policy debates, business decisions and assessment of foreign opportunities. Consequently, a basic knowledge of international economics and the use of economic reasoning are beneficial for any MBA student, most especially those hoping to gain employment in multinational corporations or companies that operate, or hope to operate internationally.

PERFORMANCE EVALUATION AND GRADING

The weight distribution of coursework for determining the overall course average will be determined by the student using a menu-based evaluation system:

	<u>Weight range</u>
A. Attendance (compulsory)	5%-10%
B. Mid-term I Written Exam (compulsory)	10%-20%
C. Mid-term II Written Exam (compulsory)	20%-40%
D. Media review (compulsory)	15%-30%
E. Written case studies on a chosen topic (10% each – min 1, max 4)	10% each
F. Country presentation (optional)	15%-30%
G. Country report (optional)	15%-30%

Evaluation menu choices should be made by Friday, September 11th, but they can be changed up to Friday, September 25th, after which no changes are permitted.

The Official Course Grade is determined by a letter grade using the following scale: A: 90%+; B: 80-89.9%; C: 70-79.9%; D: 60-69.9%; F: below 60%.

The compulsory components of the student's evaluation are the written mid-term exam, the final written exam, and a written case study. The weighting of these and the other options are to be decided on by the student and submitted using the evaluation option form below.

Written mid-term exam I:

The mid-term I exam is compulsory and will be held as per the course outline. The exam will be a 75 minute written exam. It will cover material from the first half of semester

Written mid-term exam II:

The mid-term II exam is compulsory for all students - it will last 2 hours and 30 minutes and will be scheduled on the last class of semester. It will be a comprehensive exam covering material from the whole semester.

Media review:

This is a report to be submitted through www.turnitin.com which will detail the major international events occurring during the course of the semester and an analysis of the economic implications of these events using references to whichever media outlet you chose to subscribe to during the course of the semester (i.e. *The Economist*, *The Financial Times* or the *Wall Street Journal* newspaper) and any other key articles which appear in the economic and financial media. Student subscriptions are available to these financial and economic media, and further details will be given on the first day of class.

Case studies:

Students should use newspaper, magazines and the internet to gain access to information for case study assignments. All case studies should be word-processed, double-spaced with a size 12 pitch in a readable font, and with all diagrams and data attached where relevant. Specific topics and other details will be given in class by the instructor after semester begins. These case studies can be done at any

point during the semester and the only deadline for these is that they have to be completed by the last class of semester.

Country presentations:

Presentations will be on a country of the student's choice. The initial choice of country should be submitted by September 18th, after which changes are permitted up until September 25th. The presentation should cover the international situation, economic elements of interest and policies of the chosen country. Items that are expected to be addressed by the presentation include: the general economic situation of the country, the types of exports and imports that the country undertakes (on both merchandise and service accounts), the merchandise trade balance and current account of the country, the importance of foreign direct investment and capital flows to the country, a short history of the exchange rate of the country, the prospects for future growth in the country and how the country is positioned in relation to international organizations. Presentations will commence during the latter half of the semester. Students will present individually, and the presentation should last at least 15 minutes, but should not be longer than 25 minutes. A separate handout will be provided.

Country report:

Country reports address similar issues to those of presentations for a specific chosen country. If you choose to do a country presentation, you are not allowed to choose the same country for a country report. The country report should be imaginative, include a wide-variety of information about the economy of the chosen country and should address events in that country over the recent past (meaning at least a 5 year timeline for that country). The report should include graphs on items such as GDP growth, trade balance, budget balance, exchange rate (where relevant), government net debt, FDI (where relevant) and any other pertinent information. Also the report should contain an assessment of how the country will do in the future. The initial deadline for submitting choice of country is September 18th and the deadline for final choice is September 25th. The report is due by November 18th at the latest.

OTHER RELEVANT ITEMS

Oral and Written Communication Content:

Class quizzes, presentations, written reports on special topics, as well as major examinations will provide an opportunity for evaluating each student's performance in oral and written communications.

Technology Applications:

Case studies and presentations will be computer generated and written in a clear and concise manner. Students are expected to develop computer skills and to use the Internet. Students may use computers in class for note taking and presentations.

Ethical Perspectives:

Decentralized decision-making in a market price system is emphasized. Outcomes of decentralized decisions are examined at the micro and macro levels of the economy. Class discussions are encouraged so that different perspectives may be openly examined. Positive ("what is") rather than normative ("what should be") is generally the approach used in microeconomics since a competitive market decision is usually considered a desired outcome. The assumption is that people tend to make

decisions that they consider to be in their self interest. Incentives are used to encourage people to make decisions that will be in the firm or society's interest.

Global Perspectives:

Throughout the course, students discuss and compare economic activities in the domestic economy to other economies of the world as well as how countries interact through international trade and other channels.

Demographic Diversity Perspectives:

There is much opportunity to compare and discuss demographic diversity in the course. How international trade affects different parts of the economy is especially important.

Political, Social, Legal, Regulatory, and Environmental Perspectives:

The market price system is examined in detail throughout the course. How our society deals with property ownership (private vs. public), monopoly power (regulation vs. state ownership), and environmental issues (marginal costs vs. total costs) are continuing topics for discussion throughout the course.

Attendance Policy:

Students are held responsible for class attendance and are advised that student performance is directly correlated with class attendance and participation. Class attendance, however, is a necessary but not sufficient condition for active class participation, the latter tending to result in good performance. Students absent from classes are themselves responsible for making arrangements to submit assignments, and to catch up on material discussed and announcements made in class. Assignments, exams and other course requirements missed due to absences cannot be made up after the due date except for *medical emergency*, or other such exigencies, in which case a doctor's official documentation of illness or other appropriate certification is required.

Academic Honesty:

University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery, or plagiarism, which is the presentation of the work of another as one's own. Students caught engaging in such activities should expect a zero for that component of the course for the first infraction and a failing grade along with a letter of reprimand placed in their academic files for the second infraction.

Classroom Etiquette:

Please conduct yourselves in a respectful manner in accordance with being in a learning environment. As this is a graduate class I would expect students to be attentive, not to use any telecommunication device in class, to attend for the full length of class and to treat other students with respect.

Laptops:

Recent research has shown that students using laptops in class tend to do worse than those without laptops, because there is always a temptation to browse the internet or to explore a particular issue presented in class by using the www. I allow laptops in my classes, but I would recommend using them only to take notes, otherwise you might find that your grade suffers.

Code of Ethics:

This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamucc.edu).

Americans with Disabilities Act Compliance:

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Disability Services Office at (361) 825-5816 or visit the office in Corpus Christi Hall 116. If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Grade Appeals:

As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.

Dropping a Class:

I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class. November 6th is the last day to drop a class with an automatic grade of "W" this term.

TENTATIVE COURSE OUTLINE

<u>Topic</u>	<u>Topic #</u>	<u>Date</u>
<i>Course introduction</i> Basic Economics for the Course	1	8/26
Introduction to the World Economy	2	9/2
Balance of Payments	3	
Trade Flows in Theory	4	9/9
Protectionism and Free Trade <i>Initial choice of evaluation weighting due (9/11)</i>	5	
GATT, the WTO and the World Bank <i>Initial choice of country due (9/18)</i>	6	9/16
Regional Integration <i>Last date to change evaluation weighting (9/25)</i> <i>Last date to change country choice (9/25)</i>	7	9/23
Factor Movements and FDI Exam 1 review	8	9/30
Exam 1 (in class)		10/7
Business and Trade Mid-term post-mortem	9	10/14
Exchange Rates and the Forex Market	10	10/21
IMF and International Financial System	11	10/28
What determines exchange rates?	12	11/4
International Macroeconomics and Flex Exchange Rates To fix or float and the effects on business and trade <i>Final date for submitting Country Reports and for Presentations</i>	13 14	11/11
Business Risk, Globalization and Offshoring <i>Exam 2 review</i> <i>Final date for submitting Case Studies</i>	15	11/18
Exam 2 (in class)		11/25 (TBA)
Media review submission (online through www.turnitin.com)		12/3-8

Evaluation Menu

Initial choice due September 11th

No changes can be made after September 25th.

Student Name: _____

Student ID: _____

	<u>Component</u>	<u>Number</u>	<u>Weight</u>	<u>%</u>
A.	Attendance (Compulsory)	NA	_____ (5-10%)	_____
B.	Exam I (Mid-term) Written Exam (Compulsory)	NA	_____ (10-20%)	_____
C.	Exam II Written Exam (Compulsory)	NA	_____ (20-40%)	_____
D.	Media Review	NA	_____ (15-30%)	_____
E.	Written case studies (Min 1, Max 4)	___ @	_____ (10%)	= _____
F.	Country Presentation	NA	_____ (15-30%)	= _____
G.	Country Report	NA	_____ (15-30%)	= _____
	TOTAL			= _____ (100%)

I understand that my chosen components for evaluating my performance in ECON5335 will be used to assess my grade for this course, and that neither these components nor their weights can be changed after September 25th, 2015.

Signed: _____

Date: _____