

International Economics

Academic Level: BSc

Credit Value: 5 ECTS

Hours in class: 32 hours

Lecturer: ass.prof. Chikhun L.P.

Text: Robert Carbaugh , International Economics, 10-th edition

The lecture material will draw from the textbook, and also from handouts that are distributed in class. The best preparation for the exams is to come to all the lectures, review your notes weekly, and review again for the exams. As Woody Allen said: "95% of the secret of life is just showing up!"... and his advice applies to this course. You can find the textbook at www.amazon.com with the text preview option.

Prerequisites: Microeconomics (basic course)

Grading:

Attendance and class participation - 10%

Home assignments - 10%

Midterm exam- 20%

Final Exam - 60% - Will be given only during scheduled time.

Home assignment: due to the class 2 weeks prior the final exam.

Home assignment is a compulsory activity. It is written essay dedicated to the description and analysis of the trade structure as well as trade policy of some country chosen by the student. The data is available at www.wto.org site where you go to Trade profiles section and some others . As well you can use any other materials and sources of data.

The first part of essay should include the analysis of trade dynamics and structure of export\import (in dynamics), major trade partners, state of the trade balance. The second part should be dedicated to the analysis of the trade policy of chosen country. Overall it should not be more than 10 pages including tables and graphs.

Final grade structure: >80% - "5"; >60% - "4"; >40% - "3"; <40% - 2 (failed)

Course schedule:

| | TOPIC | Readings |
|----------|---|---------------------|
| Class 1 | International trade in a globalized world | Ch 1 |
| Class 2 | Early trade theories: mercantilism and transition to a classical world of A.Smith | Ch 2 |
| Class 3 | The Ricardian Model: comparative advantages | Ch 2 |
| Class 4 | Neoclassical trade theory: the Heckscher-Ohlin model | Ch 4 |
| Class 5 | Gains from trade in Neoclassical theory. Terms of trade effects. | Ch 3 |
| Class 6 | Alternative theories of trade and intra-industry trade. | Ch 4 |
| Class 7 | Economic growth and international trade | Lecture notes |
| Class 8 | Aims and means of trade policy | Ch 5, Lecture notes |
| Class 9 | Midterm exam | |
| Class 10 | The impact of trade policies: import tariffs and quotas. The small country case. | Ch 5, 6 |
| Class 11 | The impact of trade policies: import tariffs and quotas. The large country case. | Ch 5,6 |
| Class 12 | The impact of trade policies: export taxes, voluntary export restraints and export subsidies. | Ch 5,6 |
| Class 13 | Practical applications of trade policy analysis | Ch 7, 8 |
| Class 14 | "New protectionist" approaches to trade policy intervention | Ch 6 |
| Class 15 | Trade effects of economic integration | Ch 9 |
| Class 16 | Final exam | |