

INTERNATIONAL ECONOMICS

ECON 390-002

Spring 2016
Planetary Hall 127
MWF 9:30 AM to 10:20 AM

Instructor: Theresa S. Finley
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Office Hours: M 11AM - 1PM

COURSE DESCRIPTION

Course Objectives

The aim of this course is to introduce students to the various topics of study in the field of international economics, including trade models, international finance and international monetary policy. The first half of the semester will be focused on international trade. We will cover three of the most commonly used trade models. Next we will examine the role of firms in international trade. Finally we will examine trade policies and the effects of these policies.

The second half of the semester will be focused on International Money, to include International Finance and International Monetary Systems. We will study the derivation and role of exchange rates in international markets. We will also explore different International Monetary Systems used in the global market over time. Finally, we will spend a short time looking at international financial crises. My goal for this course is for students to apply economic concepts learned in previous courses to the study of International Economics.

Required Textbook

Krugman, Obstfeld and Melitz *International Economics* 9/e [Referred to as KOM]

Students are expected to come to class having completed the assigned readings from KOM for the week.

GRADING

Homework	20 %
Midterm Exam	20 %
Final Exam	20 %
Research Paper	30 %
Participation	10 %

Grading Scale

A+	99.00-100	B+	87.00-89.99	C+	77.00-79.99	D	60.00-69.99
A	93.00-98.99	B	83.00-86.99	C	73.00-76.99	F	0-59.99
A+	90.00-92.99	B+	80.00-82.99	C+	70.00-72.99		

Exams

The midterm exam will be given on March 16th and will cover Part I: International Trade. The final exam will be given on May 9th and will only cover Part II: International Money. Exams will be a combination of definitions, short answer questions and mathematical problems. The Midterm exam will include a take-home portion.

Homework

There will be 4 problem sets assigned throughout the semester, two in Part I (International Trade) and two in Part II (International Money). Each problem set is worth 5 points of the students final grade. Problem sets will be a combination of computational problems and analysis.

Research Paper

Each student is required to complete an 8-10 page paper on any topic related to international economics. Topics must be approved by the end of class on February 15th. A paper summary is due by the end of class on March 2nd and the final paper is due on the last day of class, May 2nd.

Participation

Your participation grade will be determined by a combination of attendance and contribution to class discussion. As such, each student is expected to attend class having read all of the required readings.

UNIVERSITY POLICIES

Honor Code

George Mason University has a rigorous honor code. Please consult the student handbook to learn the expectations established by the honor code, as well as the procedures for its compliance and enforcement. Obviously, absolutely no cheating “of any kind” will be tolerated.

Disability Accomodations

If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center at (703)-993-2474. All academic accommodations must be arranged through that office. <http://ods.gmu.edu> **Add and**

Drop Deadlines

Last day to drop with no tuition penalty	January 26
Last day to drop with 33% tuition penalty	February 2
Final Drop Deadline	February 19

TENTATIVE COURSE SCHEDULE

WEEK	DATE	TOPIC	READINGS (KOM)
PART I: INTERNATIONAL TRADE			
1	1/20	Introduction to International Trade	1-2
2	1/25	Ricardian Model	3
3	2/1	Specific Factors Model	4
4	2/8	Heckscher-Ohlin Model	5
5	2/15	Firms in International Trade Paper Topic Approval Due (February 15th)	7-8
6	2/22	Protectionism and Barriers to Trade	9-10
7	2/29	Trade Policies and Controversies	11-12
8	3/7	Spring Break - No Class	
9	3/14	Review and Midterm Exam (March 16th)	
PART II: INTERNATIONAL MONEY			
10	3/21	National Income Accounting and Introduction to Exchange Rates	13-14
11	3/28	Money and Exchange Rates Paper Summary Due (March 30th)	15
12	4/4	Purchasing Power Parity and Exchange Rates	16
13	4/11	Output and the Exchange Rate	17
14	4/18	Fixed Exchange Rates and the Bretton-Woods System	18-19
15	4/25	Optimum Currency Areas and Financial Crises	20-21
16	5/2	Final Paper Due (May 2nd)	
17	5/9	Final Exam (May 9th from 7:30-10:15 am)	