

**International Economics**  
ECON 390 – DL1, Spring 2021

**Instructor:** Joshua K. Bedi

**Class Time:** Asynchronous – I will post new material every Sunday (or sooner).

**Office Hours:** I will hold remote office hours over email or Zoom. I am usually quick to answer emails any time, but I will be particularly responsive and hold formal office hours over email on Mondays and Fridays from 12:00pm – 2:00pm. I am always willing to schedule a Zoom session to go over questions.

**Email:** jbedi2@masonlive.gmu.edu

### Course Overview

The title of this course is International Economics, and that is exactly what we will be discussing. James Buchanan, a Nobel Prize winner in economics who taught at George Mason, once stressed economists should be concerned with studying exchange and human interaction. Thus, International Economics is the study of human exchange and interaction, but with one twist – the exchange and human interaction which will be the focus on our study will be human exchange and interaction that crosses international borders. While our fundamental analysis of exchange and human interaction will not change, the addition of international boundaries in our analysis represents an important enough analytical kink to warrant special attention. For example, tariffs and immigration restrictions are much more important internationally than they are domestically. Very seldom do different countries utilize the same currency. The addition of international borders in our standard economic analysis also leads to questions concerning the relative prosperity of different nations. We will discuss these, and other, issues. By the end of this class, I also hope all of you will leave with the tools to help you distinguish good economic analysis from poor economic analysis.

### Prerequisites

ECON 306 and ECON 311 are prerequisites for this course. As such, I assume you are generally familiar with material taught in standard Intermediate Micro and Intermediate Macro courses. Base knowledge of Algebra and Calculus will also be helpful, but not required.

### Required Reading

I think students get a lot from reading. As such, I assign an above average amount of reading, and any reading I assign are fair game for an exam. Take these readings seriously as you read them. Struggle with them. Question them. Connect them to my lectures. Most importantly, read them.

Krugman, Obstfeld, and Melitz – *International Economics: Theory and Policy*

I am working out of the 11<sup>th</sup> edition – you'll probably be fine with a different edition, but be cognizant of chapter differences for assigned readings.

Don Boudreaux, *Globalization*

Ben Powell, *Out of Poverty: Sweatshops in the Global Economy*

Bryan Caplan, *Open Borders: The Science and Ethics of Immigration*

Yes, I've having you read a comic book.

### **Grading:**

The following assignment weights are my contract with you. While I will not accept late work and will not provide make-up opportunities, I will also not deviate from this weighting system. However, if you miss a midterm exam because of an unforeseen emergency (medical emergencies, death in the immediate family, etc.), we will plan a make-up date that works for both of us. You must provide detailed documentation, like a note from a doctor, for this to be accepted, and I must be provided as much notice as humanly possible.

Weekly Reaction Papers: 20%

Final Exam: 30%

Midterm 1: 25%

Midterm 2: 25%

The grading scale is as follows:

A+ = 97-100

A = 94-96.999

A- = 90-93.999

B+ = 86-89.999

B = 84-85.999

B- = 80-83.999

C+ = 76-79.999

C = 74-75.999

C- = 70-73.999

D+ = 66-69.999

D = 64-65.999

D- = 60-63.999

F = Below 60

I was a gymnast growing up. We rounded to the nearest thousandth of a point. I will do the same for you guys, but no more. For example, if you make a 75.9989, that will round up to a 75.999, and you will make a C, not a C+.

### **Weekly Reaction Papers**

Each Sunday (except for your last reaction paper), starting January 31<sup>st</sup>, by midnight every student is required to email me at least a 2-page typed, double-spaced reaction to the assigned readings for the past week of material. Your reaction paper should be with no paragraph spacing, size twelve Times New Roman font, and one-inch margins. This will be to make sure each of you are keeping up and engaging with class material. These reactions can be criticisms or thoughts about the assigned text or even questions about the content of assigned texts. These

reactions are not intended to be summaries. The last reaction paper will be due Friday, April 30<sup>th</sup>. Take these reaction papers seriously. You will get out of these papers what you put in. I provide detailed comments, but if you give me little about which to comment, you will find these papers a rather fruitless exercise. However, if you take these papers seriously, ask honest questions, and provide sincere analysis, my comments can become a great study tool. I do not accept late reaction papers at all. However, if you complete every single reaction paper this semester, I will drop your lowest five reaction paper scores.

## **Exams**

All exams are open book and open note exams, but you are not allowed to contact each other or any other people for help. The week before each exam, I will send out an email to everyone with options for what days and times are available to take the exam, and I will ask what days and times work for you to take the exam. On the day and time I schedule with each of you, I will email out your exam, and you will have an hour and a half to email me back a separate Word document with your answers. I write these exams knowing you have access to notes, books, and the Internet. They will not be easy. Open book and open note exams do not mean you do not have to study.

## **Disability Resource Centre**

If you are a student with a disability and you need academic accommodations, please email me, and contact Disability Services at 703-993-2474 or ods.gmu.edu. All academic accommodations must be arranged through that office. If you do require accommodations, it is up to you to provide both me and ODS adequate time to provide accommodations. If you need to take advantage of this resource, please provide me with ample notice. This is something you are entitled to as a student with a disability, but you need to give us time to provide accommodations for it to work out.

## **Honour Code**

Students must know and follow the George Mason University Honour Code. If I catch you cheating on an assignment, I will get the Honour Council involved. The first time a student is caught cheating (much like the first time a thief is caught stealing) is rarely the first time that student has cheated.

## **Schedule**

Unlike the grading weights for this course, the schedule and readings are subject to change at my discretion, but I promise to leave you ample time to readjust your schedules if I decide to make such a change. Material will be posted to Blackboard every week on Sunday (or sooner). The following Sunday will be the day your reaction paper is due for the assigned readings for that material.

**Week 1: What is International Economics?  
January 25<sup>th</sup> – January 31<sup>st</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 1 & 2  
Boudreaux – Chapters 1 & 2

**Week 2: The Ricardian Model**

**February 1<sup>st</sup> – February 7<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapter 3  
Boudreaux – Chapter 3

**Week 3: Trade and Welfare**

**February 8<sup>th</sup> – February 14<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapter 4  
Boudreaux – Chapter 4

**Week 4: Resources**

**February 15<sup>th</sup> – February 21<sup>st</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 5 & 6

**Week 5: External Economies and Firm Decisions**

**February 22<sup>nd</sup> – February 28<sup>th</sup>**

**Midterm I**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 7 & 8

**Week 6: Political Economy of Trade**

**March 1<sup>st</sup> – March 7<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 9 & 10

**Week 7: Alleged Exceptions to the Case for Free Trade**

**March 8<sup>th</sup> – March 14<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 11 & 12  
Boudreaux – Chapter 5

**Week 8: National Income Accounting**

**March 15<sup>th</sup> – March 21<sup>st</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapter 13

Boudreaux – Chapter 6

**Week 9: Exchange Rates**

**March 22<sup>nd</sup> – March 28<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 14 & 15

**Week 10: Exchange Rates in the Short and Long Run**

**March 29<sup>th</sup> – April 4<sup>th</sup>**

**Midterm II**

Readings:

Krugman, Obstfeld, and Melitz – Chapters 16 & 17

**Week 11: International Monetary Systems**

**April 5<sup>th</sup> – April 11<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz – Chapter 19

Boudreaux – Chapter 7

**Week 12: Development Economics**

**April 12<sup>th</sup> – April 18<sup>th</sup>**

Readings:

Krugman, Obstfeld, and Melitz - Chapter 22

**Week 13: Sweatshop Labour**

**April 19<sup>th</sup> – April 25<sup>th</sup>**

Readings:

Powell – All Chapters

**Week 14: Immigration**

Readings:

Caplan – All Chapters

**Finals Week: May 3<sup>rd</sup> – May 10<sup>th</sup>**

**Other Important Dates:**

Last Day to Add: February 1<sup>st</sup>

Last Day to Drop (100% Refund): February 12<sup>th</sup>

Last Day to Drop (50% Refund): February 16<sup>th</sup>