

ECON 390-001: International Economics

George Mason University

Spring 2022

Instructor: Suria Dauod — sdauod2@gmu.edu

Location: Planetary Hall 127 — MW, 10:30 - 11:45 AM

Office Hours: Zoom, by appointment

1 Course Description

"The raw fact is that every successful example of economic development this past century – every case of a poor nation that worked its way up to a more or less decent, or at least dramatically better, standard of living – has taken place via globalization." - Paul Krugman

This course examines the fields of international economics, including trade models, international finance, and international monetary policy. Lectures will coordinate with chapters of the text, but will also amplify and supplement what is found there. To master the course, students must understand the text, as well as take good lecture notes and study them. We will explore:

- the determinants of international trade
- the foreign exchange market
- the implications of different exchange rate regimes
- the effects of financial flows between countries, balance of payments
- foreign trade policies
- international monetary systems
- theories of international trade and financial integration

2 Class Requirements

Students are recommended to have successfully completed ECON 306 and 311. You should be fluent in producing supply and demand diagrams. This course covers a lot of ground and requires commitment and dedication to be successful. I expect students to complete the work assigned in a timely manner, and to not skip attendance. In return, I will do my best as an instructor to be available and accommodating.

2.1 Readings

Required: Paul R. Krugman, Maurice Obstfeld and Marc J. Melitz (2012). *International Economics: Theory Policy*, 9th ed. Pearson

Please regularly check your GMU email. I will occasionally send supplementary readings such as blog posts, news articles, etc. These will be sent out via email and are designed to help you keep up with economic news and apply what you learn in class. Such readings will be included in quiz material.

2.2 Assignments and Examinations

Your grade will depend on weekly quizzes, a paper, a midterm, and a final exam. The grade breakdown will be as follows:

Weekly Quizzes: 30%

Paper: 15%

Midterm: 25%

Final: 30%

There will be 12 quizzes throughout the semester at the beginning of each class on Mondays. This quiz will cover both this week's readings and last week's lecture, as well as any videos for the week. This will keep you accountable and help you keep up with the material and readings. The quizzes will consist of a few short answer questions. No late quizzes are administered, and no make-ups for quizzes. However, the lowest of these grades will be dropped from the final average.

On each Wednesday of the week, we will begin class with a brief discussion on news and current events relating to international economics. This would include tariff policies, trade agreements, exchange rate fluctuations, etc. Participation throughout the semester will be reflected in your grade.

Towards the end of the semester, there will be a 4-5 page paper that will count for 15% of your grade. I will have a list of prompts related to the course, or you may choose your own topic relevant to monetary institutions as long as you clear with me before proceeding. The paper will give you an opportunity to be evaluated on thoroughness and quality of economic analysis. I will give more details on this closer to the due date. You may choose to present your paper for an extra credit opportunity.

There will be one midterm exam (March 23, 2022) as well as a final (May 11, 2022). The midterm will count for 25% of your grade. The comprehensive final examination will count for 30% of your grade. The exams will be primarily short-answer questions.

2.3 Class Etiquette

The use of a laptop or tablet for class related purposes is allowed. However, I request you turn off your phones and minimize distractions to yourself and classmates. If you must use your phone during class time, please step outside the classroom briefly. Recording lectures is not permitted.

While you will not be graded on attendance, you are responsible for the readings and lecture material for that class. I encourage all students to speak up every week and comment on or ask questions about the readings. This class will be a space for respectful and open discussion.

3 Tentative Schedule

Please visit the [Registrar's website](#) to see the full University schedule.

Week of	Subject	Readings
Jan 24	Intro to International Trade	Chapter 1, 2 MRU - Big Ideas of Trade
Jan 31	Ricardian Model	Chapter 3
Feb 7	Heckscher-Olin Model, Specific Factors Model	Chapter 4, 5
Feb 14	Standard Trade Model, Economies of Scale	Chapter 6
Feb 21	Protectionism and Barriers to Trade	Chapter 9, 10 MRU - Trade and Tariffs; Tariffs in 19th cent
Feb 28	Trade Policies and Controversies	Chapter 11, 12 MRU - Currency Manipulation; Fair Trade
Mar 7	National Income Accounting and BOP	Chapter 13 MRU - Balance of Payments
Mar 14	Spring Break	
Mar 21	Midterm Examination	
Mar 28	Intro to Exchange Rates	Chapter 14, 15 MRU - Real Exchange Rates; Nominal Rates
Apr 4	Exchange Rates in Short- and Long-Run	Chapter 16, 17
Apr 11	Fixed Exchange Rates	Chapter 18
Apr 18	International Monetary Systems; Paper Due	Chapter 19 MRU - IMF
Apr 25	Financial Globalization	Chapter 20
May 2	Developing Countries: Growth, Crisis, and Reform	Chapter 22 MRU - Geography and Trade
May 9	Reading days and Final Exam (May 11)	

3.1 Important Dates

- Last day to Add classes: Monday, January 31
- Last day to drop with 100% Tuition Refund: Monday, February 7
- Last day to drop with 50% Refund: Monday, February 14

4 University Policies

4.1 Honor Code

The George Mason University Honor Code is as follows:

To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University Community and with the desire for greater academic and personal achievement, we, the student members of the university community, have set for this Honor Code: Student Members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work.

I expect each of you to abide by this code. Any student suspected of any violation will be reported to the Office of Academic Integrity. Please visit their [website](#) for more information.

4.2 Email and Student Privacy

Due to the requirements of the Family Educational Rights and Privacy Act (FERPA), students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.

4.3 Disability Accommodations

Disability Services at George Mason University is committed to providing equitable access to learning opportunities for all students by upholding the laws that ensure equal treatment of people with disabilities. If you are seeking accommodations for this class, please first visit <http://ds.gmu.edu/> for detailed information about the Disability Services registration process. Then please discuss your approved accommodations with me. Disability Services is located in Student Union Building I (SUB I), Suite 2500. Email: ods@gmu.edu — Phone: (703) 993-2474

4.4 COVID-19 Policies

All students taking courses with a face-to-face component are required to follow the university's public health and safety precautions and procedures outlined on the university Safe Return to Campus webpage (<https://www2.gmu.edu/safe-return-campus>). Similarly, all students in face-to-face and hybrid courses must also complete the Mason COVID Health Check prior to coming to campus. The COVID Health Check system uses a color code system and students will receive either a Green, Yellow, Red, or Blue email response. Only students who receive a “green” notification are permitted to attend courses with a face-to-face component. If you suspect that you are sick or have been directed to self-isolate, please quarantine or get testing. Faculty are allowed to ask you to show them that you have received a Green email and are thereby permitted to be in class.

Students are required to follow Mason's current policy about facemask-wearing. As of August 11, 2021, all community members are required to wear a facemask in all indoor settings, including classrooms. An appropriate facemask must cover your nose and mouth at all times in our classroom. If this policy changes, you will be informed; however, students who prefer to wear masks will always be welcome in the classroom.