



**Syllabus**  
**ECON 3500: International Economics**  
**Spring 2014**

**Instructor**

Mikidadu Mohammed  
Dept. of Economics  
University of Utah

Email: [mikidadu.mohammed@utah.edu](mailto:mikidadu.mohammed@utah.edu)  
Office: Dept. of Economics [OSH 343] Cubicle #5  
Office hours: by appointment only

**Key Dates**

Classes begin: January 7  
Group Presentation 1: February 4  
Midterm Exam: March 4  
Spring Break: March 11 (No Class)  
Group Presentation 2: April 8  
Classes end: April 15  
Final Exam: April 22

**Course Description and Goals**

This course is intended to provide students with an analytical framework necessary to understand how real and financial events taking place in the global economy affect today's national economies. The analysis will focus on patterns of international trade and capital flows and their impact on national economies economic growth and stability. In addition, the course will discuss the crucial role of economic policy in open economies.

The course is broadly divided into two topics: international trade and international financial markets. The chapters on international trade will first introduce you to economic models that economists use to show how countries may gain from opening up their borders to trade in goods and services. Nonetheless, reality shows that gains from trade depends on a variety of factors and that, it is not always true that trade can be beneficial to countries, especially for developing ones. Thus, the goal is not only to present you with an analytical framework and economic models but also to enable you comprehend the limitations of such models. The course will follow a similar approach when discussing the role of financial markets for growth and stability while stressing the need for a new design of the international financial system. Finally, discussions of economic trends and the use of the models to understand these trends will be complemented by an analysis of economic policies in the context of globalization and internationalization of markets.

Prerequisite: ECON 2010 and ECON 2020 (or ECON 1010 and instructor's consent).

**Required Textbook**

*International Economics: Theory and Policy*, 9th edition by Krugman, Obstfeld, and Melitz. The textbook can be purchased new or used from the university bookstore.

### Other materials

Issues on international economics show up in daily news, talk shows and debates among economists, policy makers or elected officials. I encourage you to acquaint yourself with the most up-to-date news on the global economy. The Economist <http://www.economist.com/> is a good place to start. Other useful sources include news outlets such as the Financial Times <http://www.ft.com/intl/globaleconomy> and some editorials in the main national newspapers. Blogs that focus on issues related to international economics are also useful. Check out Krugman's blog <http://krugman.blogs.nytimes.com/> or the Economist's blog <http://www.economist.com/blogs/freeexchange/2013/05/global-economy>. As I find interesting articles and videos, I will post them or the link on Canvas.

### Requirements

There will be two group presentations (20%), one in-class midterm exam (40%), and one in-class final exam (40%).

Grades will follow an absolute scale according to the university's requirements: [in %] 93+ A, 90-92 A-, 86-89 B+, 82-85 B, 79-81 B-, 76-78 C+, 73-75 C, 70-72 C-, 67-69 D+, 64-66 D, 60-63 D-, <60 F.

Students who typically do well in the course are those who come to class every day on time and take good notes. Students who usually get lower grades are those who miss classes and/or come late and fail to take good notes. Even if you are able to borrow a classmate's notes, they are not a perfect substitute for you being in class and taking your own notes. Writing out problems and notes in class reinforces the concepts discussed and will help you do better on the assignments and exams and most importantly enrich your understanding of international economics.

### Tentative Schedule

Theme	Week	Class	Topic	Readings	Notes
Gains from Trade & Patterns of Trade	1	Jan 7	Intro, World Trade Overview, Ricardian Model	Ch 1,2, 3	
	2	Jan 14	Specific Factors Model Heckscher-Ohlin Model	Ch 4 Ch 5	
	3	Jan 21	Standard Trade Model	Ch 6	
Protectionism	4	Jan 28	Trade Policies and Politics	Ch 9,10	
	5	Feb 4	Trade Policies in Developing Countries Controversies in Trade Policy	Ch 11 Ch 12	Group Presentation 1
Balance of Payments & Exchange Rates	6	Feb 11	National Income Accounting & Balance of Payments	Ch 13	
	7	Feb 18	Exchange Rates and Foreign Exchange Markets	Ch 14,18	
	8	Feb 25	Money, Interest Rates, and Exchange Rates	Ch 15	Midterm Review
	9	Mar 4	Midterm Exam		
	10	Mar 11	*Spring Break*	No Class	No Class
	11	Mar 18	Price Levels, Output, and Exchange Rates	Ch 16, 17	
	12	Mar 25	Fixed Exchange Rate and Foreign Exchange intervention	Ch 18	
Int. Policy Coordination & Int. Capital Markets	13	Apr 1	International Monetary Systems Global Imbalances: US-China Debate & Euro Crisis	Ch 19, 20	
	14	Apr 8	Financial Globalization Developing Countries: Growth, Crisis, and Reform	Ch 21 Ch 22	Group Presentation 2
	15	Apr 15	Wrap-up		Review for Final
	16	Apr 22	Final Exam		