ECON 323: INTERNATIONAL ECONOMICS; FALL 2014  
Corboy #208, Wednesdays, 4:15-6:45 PM

**CATALOG DESCRIPTION**

This course analyzes microeconomic and macroeconomic theories of global trade; balance of payments, adjustment problems and the international monetary system.  
Outcome: Students will be able to demonstrate the ability to critically apply microeconomic and macroeconomic concepts to the understanding of international economic phenomena/problems. This course emphasizes the role of economic leadership to promote peace and justice in a global diverse world.  
Prerequisites: Sophomore standing, minimum grade of "C-" in ECON 201 and 202.

**COURSE OVERVIEW:**

This course analyzes topics in international economics, international specialization and comparative advantage, balance of payments and foreign exchange, elements of commercial policy and international investment. Monetary aspects of international economics will be emphasized. Global trade topics are placed in the setting of recent international developments such as the European Union, NAFTA and the emergence of China, India and Brazil as a major exporting country. The current global credit and financial crisis with its impact on world financial markets is reviewed and analyzed in detail. The role of the International Monetary Fund and the World Bank as global institutions whose goal is to provide global financial stability is evaluated and the need to design a new global monetary system is also investigated. Throughout the course, global economic issues will be placed within a broader perspective that considers social, environmental, governmental and ethical dimensions in obtaining optimal managerial decisions.

**COURSE OBJECTIVES AND LEARNING OUTCOMES:**
SKILL DEVELOPMENT:
Skills developed in this course include analytical and creative thinking, communication and team-work. The first half of the course will give the opportunity to students to review several causes of world trade in the form of economic models. These analytical skills will help students in their professional careers as they evaluate trade opportunities for their firms. Students will be encouraged to form teams to study several homework problems, to trade foreign currencies and also to write a paper. This will encourage the development of teamwork and written communication skills. During the class discussions, numerous key questions will be presented and students will have the opportunity to reflect and express creative ideas.

INTEGRATION:
The class lectures, discussions, homework assignments, term paper and currency trading are designed to emphasize the interrelationships among all the functional areas. When discussing models of comparative advantage and specialization we also relate to production and operations management. When we discuss trade policies, decreasing longrun costs and dumping we relate these concepts to strategic management. Export oriented decisions naturally involve international marketing. Furthermore, exchange rate dynamics and fluctuations lead to discussions about the role of corporate finance and international standards of accounting. Cultural and international business ethics topics are introduced when we discuss the various integration schemes such as the European Union and NAFTA.

LEARNING GOALS AND ASSESSMENT
Specifically this course has five learning goals/outcomes:

1. Develop quantitative skills in the area of pricing global goods traded among countries by emphasizing both comparative advantage and currency determination.
2. Develop the student’s critical thinking skills in the area of global economic decision making both for production and sales.
3. Develop the student’s ability to integrate knowledge from finance, economics and quantitative methods to understand global business.
4. Develop the student’s written communications skills by having students do written homework assignments and working in teams to prepare a class paper. Oral presentation skills are also developed since each team is required to make a professional presentation to the class.
5. Help students understand that beyond the economic and financial variables that enter in global decision making, ethical, environmental and social considerations play a very important role and often lead to superior decisions.
6. Emphasize the role of culture and the influence of social factors in global trading.

This course will take a portfolio approach to assessment. Students will be evaluated on a series of 5 problem sets that will expand their knowledge and skills set beyond their core knowledge. Students will also be assessed by a comprehensive final examination. Students will also be asked to work in teams to research a relevant topic of global business, write a paper and make a class presentation.
REQUIRED MATERIALS:

TEXTBOOK:


Older editions such as the 7th or 8th can be used; the revisions are minimal, so students can buy used copies that are priced much cheaper. Older editions are authored by Krugman and Obstfeld only.

GRADING:

Course grading will be determined on the basis of a paper, a mid-term exam and a final exam, each worth 100 points for a total of 300 possible points.

The research paper may be written and presented by a team of 5 students on the topic “ISSUES OF CURRENT INTEREST IN GLOBAL ECONOMICS”. Such topics are featured daily in the Wall Street Journal. Further details of the content of the paper will be given during the course presentation. Each member of the team will be responsible for contributing 4 pages and 4 ppt slides. The paper is due one week before the final exam. The paper should be between 20-25 pages long with double line spacing and a minimum of 25 important references. Students will also be required to present the major findings of their research to the class on weeks #11 to #14. Topics must be chosen in such a way that each students section is independent of the work of the other members of the team. For example suppose that a certain team chooses to do research on global currencies and it selects to study the euro, the yen, the yuan, the British pound and the US dollar. Each student can then select one currency and study the economic factors that influence its time series behavior.

EXTRA CREDIT

Extra credit of a maximum of 5 bonus points can be earned by submitting 5 sets of homework assignments each worth 1 point.
**COURSE GRADING**
Course grades will be assigned according to the following scale:

- 280 - 300 = A
- 270 - 279 = A-
- 265 - 269 = B+
- 260 - 264 = B
- 250 - 259 = B-
- 240 - 249 = C+
- 230 - 239 = C
- 220 - 229 = C-

**TOPICS AND ASSIGNMENTS:**

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**Quinlan School of Business Policies:**

**Attendance**

Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence.
**Make-Up Examinations**

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

**Please note:** This class may occasionally deviate from the course outline above. The instructor reserves the right to make changes as needed to the course syllabus.

**Business Cards**
Quinlan undergraduates, in addition to graduate students, are now able to order Loyola business cards; the link to place an order is: [www.luc.edu/quinlan/businesscard](http://www.luc.edu/quinlan/businesscard)