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Course: International Economics
Wednesdays 400394.01 (12-16:00)

Part I: International Trade (7 Sessions)

- 12.10.22 1. Syllabus, Introduction to the Course / Patterns of International Trade
- 19.10. 2. The Basic Trade model: Specific Factors (short-run) & H-O-V (long-run)
- 26.10. 3. New Explanations for International Trade – IIT
- 02.11. 4. New Explanations for International Trade – Productivity and NEG
- 09.11. 5. Tariffs and other Forms of Protection (Trade Wars)
- 16.11 6. Offshoring and Global Value Chains
- 23.11 7. Regional Trade Agreements and the Environment
- 2-3.12 **The first midterm exam (75 minutes allotted) will be taken ONLINE between 12 (noon) on 2 December and noon on 3 December 2022.**

Part II: International Monetary Economics (7 Sessions)

- 30.11 8. Introduction into International Flows (Capital and Migration)
- 07.12 9. The Composition of the Balance of Payments
- 14.12 10. National Money and International Functions of Money
- 4.1.2023 11. A Variety of Exchange Rates
- 11.1.2023 12. The Rise and Fall of the Bretton Woods System
- 18.1 13. The European Monetary Co-operation
- 25.1 14. The European Monetary Union
- 3-4.2 **The second midterm (75 minutes allotted) will be taken ONLINE between noon on 3 February and noon on 4 February 2023.**

Office Hours:

- **Individual consultations** are by appointment. So, would like to meet us, please write us an e-mail so we can arrange a consultation. Please ***cite the course code in the subject line***. The consultation will take place in our individual office.
- **Individual consultations** for Prof. Dr. Pédussel Wu are during open office hours on ***Tuesdays from 16:00-17:00*** or by appointment. Online consultations are also available upon request.
- **Individual consultations** for Prof. Dr. Metzger are on **Tuesdays between 4-5 pm** beginning with 29 November 2022 or by appointment. Online consultations are also available upon request.
- ***Please note that email should be used in extraordinary circumstances and not as a regular means of communication! Please ask questions during class times or in office hours. If you MUST email, please cite the course code in the subject line. There are three courses with different codes and without the course number, we cannot properly have the context of your question.***

On Moodle, you will find all course-related documents, specifically,

- All documents related to the Course Organisation (e.g. module description, outline, reading list),
- All documents related to the Sessions 1-14 (professors' PPTs, exercise sheets, academic papers and links to e-books)
- All documents necessary to respond to the exercise sheets and most articles and papers on the reading lists
- **Students should make themselves familiar with the course website. It is important to be able to find all information there.**

Readings

The primary texts for this course will be the following, but other international economics textbook will also cover the topics in this class.

Feenstra, R.C., Taylor, A.M. (2017), International Economics, New York: Worth Macmillan, 4th edition.

E-book in BSEL library: <https://ebookcentral-proquest-com.ezproxy.hwr-berlin.de/lib/hwr/detail.action?docID=6378972>

Greenlaw, S.A. and Shapiro, D. (2019) Principles of Macroeconomics 2e, Openstax.

<https://openstax.org/details/books/principles-macroeconomics-2e> or <https://intromacro.econ.gatech.edu/chapter-19/>

Krugman, P.R., Obstfeld, M., Melitz, M. J. (International Economics: Theory and Policy. Harlow, UK: Pearson, several editions. The e-book may be found here.

E-book in BSEL library: <https://ebookcentral-proquest.com/lib/hwr/detail.action?docID=5833032>

Reinert, K.A. (2012), An Introduction to International Economics: New Perspectives on the World Economy. Cambridge University Press.

Sorry, there is no official E-book available in the library for Reinert.

There are also several websites which are good general references:

<https://www.ecb.europa.eu/home/html/index.en.html>

<https://ec.europa.eu/eurostat>

<https://www.imf.org/external/index.htm>

<http://internationalecon.com/Trade/tradehome.php>

<https://unctadstat.unctad.org/EN/>

http://www.wto.org/english/res_e/statis_e/statis_e.htm

<https://data.worldbank.org/>

Course Objectives

This course is team taught and examines international economic policy through the use of economic tools. The goal of this course is to provide students with an overview of basics, specific features, characteristics and functioning of the international economy, international trade and monetary relations and the corresponding supranational and international organisations. We will attempt to develop a coherent framework with which to examine current international economic policy questions. In doing so, the student should be able to critically evaluate everyday events, which they read in the newspapers.

In the first part, we start with developing the theory of comparative advantage to explain why nations trade. The question of who loses and who gains from trade is addressed. Tariffs, quotas, and other types of economic protection are examined. We will also discuss the European Union and the impacts of Covid-19 on international trade, in particular with respect to global supply chains.

In the second part of the course, we will make ourselves familiar with the structure and proposition of the balance of payments within the overall system of national accounting and the relevance of the current account for domestic production and employment as well as the international investment position. In this context, we also discuss national money, international functions of money and exchange rates. Furthermore, we will examine several selected examples of global and regional exchange rate regimes such as the Bretton Woods System, European Monetary System, the European Monetary Union). We will also discuss impacts of COVID-19 on international relations.

Teaching

Normally, this course is interactive, combining input by the professors, inputs by students on the country of their choice and group work of students. The professor will provide an overview of the basics and stylized facts of international economics.

Exercise Sheets

The **exercise sheets** follow the idea of **guided reading** in order to deepen your understanding of the subject and individual topics. They also serve to **repeat the major concepts and problem solving abilities**. In addition, they **prepare you to write the exams**.

Students have to upload their responses to the exercise sheets on Moodle. Students have time to **upload their responses until 24 hours before** our next class. Accordingly, we will upload sample responses after the time is up for students to upload their responses, but before our next class. This ensures that students are able to compare their own solutions with the sample solution. You are welcome to put forward your questions at the beginning of the subsequent class. **Please note that we will not grade late responses.**

We strongly recommend students to organise themselves in a group of up to three (3) students to respond to the exercise sheets. When you submit your responses, **please display in your response file all names of the group**, for instance “doherty_duffy_mclaughlin_exercise 1.docx” plus **your student numbers**. Use only your own words. **Do not copy and paste articles or sections of the textbook!** Long explanations are not required.

In total, there are 14 exercise sheets. To improve their performance in the exams, students **should respond to 10 out of the 14 exercise sheets** in time allotted; **5 from Part I and 5 from Part II**. The responses to these 10 exercises will represent the **oral part** of the course for this semester (20%). If more than 10 exercises are turned in, we will select the best five of each part for grading.

The exercise sheets have to be handed in 24 hours before next class, in detail the deadline is:

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|-------------------|-----------------------------|
| Exercise sheet 1: | 18.10.22 (@ noon (12 p.m.)) |
| Exercise sheet 2: | 25.10 |
| Exercise sheet 3: | 01.11 |
| Exercise sheet 4: | 08.11 |
| Exercise sheet 5: | 15.11 |
| Exercise sheet 6: | 22.11 |
| Exercise sheet 7: | 29.11 |
| Exercise sheet 8: | 06.12 |
| Exercise Sheet 9: | 13.12 |
| Exercise Sheet 10 | 03.01.2023 |
| Exercise Sheet 11 | 10.01 |
| Exercise Sheet 12 | 17.01 |
| Exercise Sheet 13 | 24.01 |
| Exercise Sheet 14 | 31.01 |

Grading and Requirements (5 ECTS)

You are required to attend classes, prepare and upload your homework as well as write two exams during the course, one of which will take place mid-term and one exam at the end of the term. The grading will be divided between the **group exercise part** (exercises worth 20 % or 20 points), the **exam on Part I** (40 % or 40 points) and the **exam on Part II** (40 % or 40 points).

Both exams will be written online. Each of the exams will be 75 minutes. Students write the exams online using Moodle. Instructions for each exam will be posted at a later date.

The exam for **Part I** will take place within the 24 hour period **beginning at 12 noon on 2 December and ending on 3 December at 12 noon.**

The exam for **Part II** must be taken within **the 24 hour period beginning at 12 noon on 3 February 2022 and ending at 12 noon on 4 February.**