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Course: International Economics (BA 200394.02)
(Thursdays, 12-4 pm)

Part I: International Production and Trade (6 Sessions)

23.04.2020	1. Patterns of International Trade
30.04.2020	2. The Basic Trade model: Specific factors (short-run) & H-O-V (long-run)
07.05.2020	3. New Explanations for International Trade – IIT
14.05.2020	4. New Explanations for International Trade – Productivity and NEG
21.05.2020	<i>Note that there is no class due to the holiday</i>
28.05.2020	5. Tariffs and other forms of Protection
04.06.2020	6. Offshoring and Global Value Chains
12.06.2020	First midterm (75 minutes allotted) The first midterm will be taken online and must be taken during the 36 hours beginning at 9 am on Friday, 12 June.

Part II: International Monetary Economics (6 Sessions)

11.06.2020	7. The Composition of the Balance of Payments
18.06.2020	8. A Variety of Exchange Rates
25.06.2020	9. The Rise and Fall of the Bretton Woods System
02.07.2020	10. Exchange Rate Misalignments and the Search for Stability
09.07.2020	11. The European Monetary Co-operation
16.07.2020	12. The European Monetary Union
24.07.2020	Second midterm (75 minutes allotted) The second midterm will be taken online and must be taken during the 36 hours beginning at 9 am on Friday, 24 July.

Office Hours Prof. Dr. Metzger

During online teaching: chat per Moodle; face-to-face per skype or zoom during class time or by appointment.

Office Hours Prof. Dr. Pédussel Wu

During online teaching: chat per Moodle; face-to-face per skype or zoom during class time or by appointment.

Please note that email should be used in extraordinary circumstances and not as a regular means of communication! Chat interface during class times should be used for all organizational and class related questions. These are extraordinary times and due to the online teaching, we will not be able to respond to all emails.

Readings

The primary texts for this course will be the following, but any international economics textbook will cover the topics covered in this class. The library will make available these books for you as e-books.

Feenstra, R.C., Taylor, A.M. (2014), International Economics, New York: Worth Macmillan, 4th edition. An electronic copy of the book outline can be found here:
<http://www.gbv.de/dms/zbw/872564096.pdf>

The total E-book is available for you at Macmillan – you only have to create an account, then you have access to this book:

<https://reg.macmillanhighered.com/Account/Unauthenticated?TargetURL=https%3a%2f%2fwww.macmillanhighered.com%2flaunchpad%2ffeenstrataylorintlecon4e%2f13455229>

Krugman, P.R., Obstfeld, M., International Economics: Theory and Policy. Boston et.al: Addison-Wesley, several editions. The e-book may be found here. In theory it is also free: https://www.pearson-studium.de/international-economics-theory-and-policy-global-edition_1.html

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 E-book available for Reinert

There are also several websites which are good general references:

<http://fx.sauder.ubc.ca/trends.html>

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

<http://ocw.mit.edu/OcwWeb/Economics/14-581Spring-2007/Readings/>

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

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

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

<https://unctadstat.unctad.org/EN/>
<https://www.ecb.europa.eu/home/html/index.en.html>
<https://ec.europa.eu/eurostat>

In addition, you will find on Moodle:

- all course-related documents (module description, outlines, reading lists, exercise sheets, PPTs)
- all articles and papers necessary to respond to the exercise sheets
- most of the papers and reference articles on the reading lists

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.

We begin by 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. 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. Further, 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) and unilateral flexible exchange rates (e.g. US dollar after Bretton Woods; euro since its invention). In this context, we discuss national money, international functions of money and the evolution of world currencies.

Teaching

In face-to-face teaching, the course meetings will be as interactive as possible. Normally, the course combines 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. However, as the Covid-19 forces all of us to switch to online teaching and learning, this course will be less interactive given the limited technological capacities available. This is not an ideal situation and we will do our best, with your help, to teach/learn the course material in the time given.

Each session consists of 4 x 45 min segments. In the first segment, we introduce the topic of the session based on a previously uploaded PPT (max 45 minutes) using audio-visual medium. In most cases, this will be done in advance via videos. You are free to do this earlier rather than at this exact time.

The second segment will consist of Q+A during which you may put forward all your questions and concerns (max 45 minutes) or we will treat a set of discussion questions given prior to the class and thought about before this session. We expect that this segment and the

following will use Moodle chat or some other instant messaging service. We will inform you accordingly in the PPT of the class.

During the third and fourth segments of the class session, we will provide you with exercise sheets, which refer to the e-books, papers, and articles on Moodle and/or some videos on YouTube. The exercise sheets follow the idea of guided reading in order to deepen your understanding, prepare you for writing the exams. They serve to repeat the major concepts and approaches in international economics and encourage the application of the knowledge on new case studies. During the second half of the class (i.e., the third and fourth segments), we will be available for questions via the chat on Moodle.

Students will work on exercise sheets and prepare a response and solution to the exercises during the section 3 and 4 of the course as well as outside of class. Students must upload their responses to the exercise sheets on Moodle anytime from the end of the class session up 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. If there are any questions remaining, we will address these in the subsequent class.

In total, there are 12 exercise sheets. To participate in the exam, students must respond ten (10) of the twelve (12) exercise sheets in time allotted. These 10 exercises will represent the oral part of the course for this semester. If all 12 exercises are turned in, the best 10 will be taken for grading.

Grading and Requirements (5 ECTS)

You are required to prepare and attend classes, prepare a presentation and write two exams during the course, one of which will take place mid-term and one exam at the end of the term. Both exams will be written online.

The grading will be divided between the **oral part** (20%), the exam on Part I (40%) and the exam on Part II (40%). The **exam on Part I** will take place in the 36 hours period starting on **Friday 4 June 2020 beginning at 9:00 am**, while the **exam covering Part II** will take place on in the 36 hour period starting on **Friday 24 July 2020 beginning at 9:00 am**. Each of them will be 75 minutes. Student write the exams online using Moodle. Instructions will be posted at a later date.