

ECONOMICS 4350
INTERNATIONAL ECONOMICS
Summer 2024 – GT Europe
8:00-9:55 MW, GT-E Building

TIBOR BESEDEŠ

OFFICE: TBD

OFFICE HOURS: Tuesday, time TBD

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WEB PAGE: Canvas

Course Objectives:

This course examines microeconomic aspects of international economics. It has four key objectives. First, an understanding of the economic theory behind why countries trade with each other. Second, an understanding of the distributional implications of international trade both within and across countries. Third, an understanding of how distributional implications can help explain why countries restrict trade. Fourth, an understanding of how economic theory and empirical evidence can shed light on popular mainstream controversies surrounding international trade.

We will develop a theoretical framework to understand international trade. We will examine the possibility of gains from trade, the nature of comparative advantage, the determination of the pattern of trade, the role of scale economies, imperfect competition, and factor movements. We will examine trade policy, in particular the effects of protection (tariffs and non-tariff barriers).

At the end of the course you will have an understanding of international trade which will allow you to analyze current issues in both areas discussed in popular media.

Specific Learning Objectives:

Knowledge:

- Why countries trade?
- What are the various reasons allowing countries to exchange products in a mutually beneficial way?
- Who wins and loses from international trade?
- What are the policy responses to international trade?

Skills:

- Graphical and mathematical analysis
- Use of calculus to solve problems and models
- Problem solving methods as applied to economic theory
- Ability to apply analytical tools to economic concepts and ideas
- Critical thinking and logic

Perspectives:

- Understanding international economics in a broad context

- Understanding causes and consequences of international trade
- Having a broad perspective of various issues pertaining to globalization

Textbook:

Feenstra, Robert C. and Alan M. Taylor, *International Trade*, 5th ed., Macmillan, with Achieve. (*required*)

You can purchase the textbook in any format you want (paper, e-book). However you decide to purchase the textbook, you *must* purchase access to Achieve.

Accessing Achieve:

Access Achieve *only* through Canvas. Click on MacMillan Learning in Navigation and then select Achieve. It is possible to access the Achieve site for the course by going straight to Achieve. However, if you do so, any grades from Achieve will not appear on Canvas.

Notes on online platforms:

Achieve: All homework will be assigned and graded on Achieve.

Canvas: The main medium of communication will be Canvas. All course announcements, grades, exam answers, and other information will be posted there.

Prerequisites:

Prerequisites are designed to protect you from taking courses that you are unprepared to successfully complete. You should follow the recommended prerequisites closely. The following courses are prerequisites for this course. You are expected to have mastered the material covered in these courses *before* taking this course.

Principles of Economics (ECON 2100 or ECON 2105 and ECON 2106)

Recommended Prerequisites:

While not required, you are strongly encouraged either to have taken Advanced Microeconomics (ECON 3110) or to familiarize yourself with the theory of consumer choice and the theory of the firm as covered in an advanced/intermediate microeconomics course. You should be well versed in indifference curves, budget lines, optimal choice, production function, isocosts, isoquants, cost minimization, and profit maximization. You can review this material in any standard intermediate microeconomics textbook, such as Varian's *Intermediate Microeconomics*, Perloff's *Microeconomics*, Pindyck and Rubinfeld's *Microeconomics*, or Besanko and Braeutigam's *Microeconomics*. We shall review the necessary tools at the start of the semester.

Grading:

Discovering data assignments (10%)

- There is a quiz for each chapter in Canvas
- You will have to access data and answer a few questions using the data you find.

Homework assignments (15%)

- There is an assignment for each chapter on Achieve.

- Each assignment consists of up to 20 questions.

Exams (75%)

- There are three exams.
- Each exam is worth 25%.
- Each exam will consist of up to 6 problems.
- Each exam will be administered during class on paper.
- Exam dates (SUBJECT TO CHANGE BEFORE TERM STARTS):
 - Exam 1: Wednesday, June 8
 - Exam 2: Monday, June 23
 - Exam 3 (Final): TBD

There will be no special extra credit or extra work of any kind for the purpose of raising a grade during or after the course. This is to ensure that everybody has equal opportunities to earn their grade and that grades are based on work during the course. There are typically 10% extra credit points on each exam (on an exam worth 100 points, you can receive a maximum of 110).

Each exam is graded on a curve with a C average. If the average on an exam is better than a C no curve will be applied.

Final grades are determined using the standard scale:

- A – 90-100%
- B – 80-89.99%
- C – 70-79.99%
- D – 60-69.99%
- F – 0-59.99%

Final grades are **not** rounded up. Hence, 89.89 is a B **not** an A.

If you are taking this class pass or fail, a grade of C or higher is a passing grade. If you earn a D or an F, you will be given a failing grade for the course.

Attendance:

While attendance will not be graded, I strongly encourage you to attend classes, as performance in the class is usually highly correlated with attendance.

Course Rules:

- It is considered common courtesy to include your name when sending me an email. Especially when your email contains a question.
- Please come to class on time. It is disrespectful and disruptive to me and everyone else if somebody strolls into class late.
- If you need to leave early, please inform me before the class begins.
- Please **silence** all electronic devices such as **cell phones, pagers, and beeping watches.**

- Laptop use. You are free to use a laptop or tablet pc for the purpose of **note taking only**, not for any other purpose. You should be warned that this class makes intensive use of graphs. If you are unable to quickly reproduce graphs on your computer you may fall behind during the lecture. In such a case, a laptop as a note taking tool is a disadvantage.

Students with disabilities:

Georgia Tech offers accommodations to students with disabilities. If you need a classroom accommodation, please make an appointment with the ADAPTS office (www.adapts.gatech.edu). If you have an accommodation letter from the ADAPTS office and require accommodations, please see me in my office during office hours or by setting up an appointment with me.

Academic Honesty:

Cheating is **unacceptable**. You are hereby reminded that you have pledged to uphold the honor code as follows:

Having read the Georgia Institute of Technology Academic Honor code, I understand and accept my responsibility as a member of the Georgia Tech community to uphold the Honor Code at all times. In addition, I understand my options for reporting honor violations as detailed in the code.

Should you be caught cheating in this class you will be prosecuted according to the honor code and policies and procedures established by the Honor Advisory Council. Should you have any questions about this do not hesitate to contact me.

Collaboration policy:

Data collection – These are learning assignments and you are free to work together on them. However, everyone must submit their own assignment since submission is digital for each student. No group submissions are possible or acceptable.

Exams – Exams are given to evaluate your understanding and command of the material. They are an assessment tool. As such they must reflect your own knowledge, and not that of students sitting around you or things written on cheat sheet and other cheating tools. During the exam, mind your own work and do not look in other students' exams. Should you be found guilty of cheating on an exam you will be penalized. Exam is **not** a collaborative effort.

General Information and Disclaimers:

I plan to cover as much as possible during the course of this class. While I will mostly follow the textbook, I may add some material that is not contained in it. In that case, your lecture notes will contain all the relevant information that you will need on exams. If you are having trouble with the material you are strongly encouraged to come see me during office hours. I strongly encourage you to work on the problems assigned in class as well as others in the textbook and/or study guide. This will not only help you come exam time but also enable you to truly understand the material.

The course outline below is a provisional one and subject to change. The topics included on each exam will depend on how quickly we cover the material. Hence exams can include more or less material than what is stated below.

The syllabus is not subject to change, except for the course outline.

COURSE OUTLINE AND READING ASSIGNMENTS (Provisional)

Week	Date	Chapter	Assignment due
1	14-May (W)	Ricardo (2)	
	16-May (F)	Ricardo (2)	
2	19-May	Specific Factors (3)	2
	21-May	Heckscher-Ohlin (4)	3
3	26-May	Heckscher-Ohlin (4)	
	28-May	Movement of Resources (5)	4
4	2-June	Increasing Returns to Scale (6)	5
	4-June	Exam 1	6
5	11-June (W)	Imports Policies PC (8)	
	13-June (F)	Imports Policies IPC (9)	8
6	16-June	Exports Policies (10)	9
	18-June	Agreements (11)	10
7	23-June	Exam 2	11
	25-June	Exchange Rates Intro (13)	
8	30-June	Exchange Rates I (14)	13
	2-July	Exchange Rates I/II (14/15)	
9	7-July	Exchange Rates II (15)	14
	9-July	(Inter)National Accounts (16)	15
10	16-July (W)	Balance of Payments I (17)	16
	18-July (F)	Balance of Payments II (18)	17
11	21-July	Fixed vs Floating (19)	18
	23-July		19
17	TBD	Final Exam	