

Chaminade University
Honolulu, Hawaii 96816

Syllabus for: EC420 InternEcon
Instructor: Dr.Klauser
Office Hours: Daily
Telephone: 739-4611

COURSE TITLE: International Economics

TEXT: Robert J. Carbaugh, International Economics, 6th ed., 1998.

L COURSE OBJECTIVES: The world's economies are becoming more economically interdependent than ever before. Nations are trading with each other at ever increasing rates. The objective of this course is to provide the student with an understanding of the underlying forces of international trade and finance, and its effect on domestic economies.

Specific Objectives:

1. To introduce the foundations of modern trade theory.
2. To study the imperfections and interventions within the international trade environment such as tariffs and non-tariff barriers.
3. To analyze the effect and motivation for economic integration.
4. To study international monetary relations and their impact on the open Macro Economy.

H. COURSE METHODOLOGY= The course will consist of lectures over the more theoretical aspects of trade and finance; discussions of supplemental readings and homework assignments; and tests.

III. STUDENT RESPONSIBILITY AND COURSE REQUIREMENT ;

1. Punctual and regular class attendance is a must.
2. All readings, homework assignments, report assignments, and other assignments must be completed on time. Do the essays only after you have studied the assigned readings. The essays must reflect economic reasoning.
3. The student is **expected** to take all tests and examinations as scheduled.
4. In addition to the assigned readings, students should also read articles on current international economic issues and give a short oral report on such articles.

A course in **international** economics will be both more enjoyable and better understood if an attempt is made to follow current events in the areas of international trade and finance. Both areas are full of controversies and are constant sources of news. Useful sources of current information include the following:

The Honolulu Advertiser and Star-Bulletin; Business Week; The Economist; The Financial Times; The New York Times; The Wall Street Journal.

IV. GRADING POLICY:

First Test	100 Points
Second Test	100 Points
Final Examination	100 Points
Written Homework Essays (15)	150 Points
TOTAL:	450 Points

For each unexcused absence or lateness or early leaving, 5 Points will be subtracted from your total points.

Grades

Letter grades are given in all courses except those taken on a **credit/no credit** basis. Grades are calculated from the student's **daily work, class** participation, quizzes, **tests, term** papers, reports, and the final **examination**. They are interpreted as follows.

- A Outstanding scholarship and an unusual degree of intellectual initiative.
- B Superior work done in a consistent and intellectual manner.
- C Average grade indicating a competent grasp of subject matter.
- D Inferior work of the lowest passing grade, is not satisfactory for **fulfillment** of prerequisite **coursework**.
- F Failed to grasp even the minimum subject matter; no credit given.
- FA Failure due to absence.
- P Satisfactory completion of course.
- W Withdrawal before published **deadline**.

Attendance

Students are expected to attend regularly all courses for *which* they are registered. They should notify their instructors when illness prevents them from attending class and make **arrangements** to complete missed **assignments**. When illness or personal reasons necessitate continued absence, the student should withdraw officially from all affected courses. Anyone who stops attending a course without **official** withdrawal may receive a failing grade.

Three or more unexcused absences may lead to a grade reduction for the course.

Long-term unexcused absence may lead to loss of financial aid. Any absence of two weeks or more **must** be reported to the **Dean** of Arts and Sciences and the **Registrar** by the **instructor**. **Federal** regulations require **continued** attendance for continuing payment of **financial** aid. If attendance is not continuous, **financial** aid may be terminated.

I. INTRODUCTION

1999

Jan 12

Course Outline and Requirements.
Perspectives and issues about international trade.

Assignments: Text Ch. I and do Q.2 or Q3 (p.16).

Recommended: Economic Report of the President, 1994; Ch.6, The United States in the World Economy, pp.205-248. The Report is available in the Library.

II. INTERNATIONAL TRADE THEORY

Jan 14

Jan 19

Why do Nations trade? What are the benefits of trade? The Law of Comparative Advantage under constant and increasing cost conditions.

Assignments: Text **Ch.2** and pp. 52-56; and do Q. 12 (page 50).

Jan 21

Terms of Trade

Assignments: Text Ch. 3 pp. 56-65; and do Q. 10 (page 65).

Jan 26

Jan 28

Trade Model Extensions and Applications

Assignments: Text Ch. 4 and do one essay question selected from pp.98-99.

Feb 2

FIRST TEST

III. INTERNATIONAL TRADE POLICY

Feb 4

Feb 9

Trade Restrictions: Tariffs

Assignments: Text Ch. 5 and do Q.9 page 135.

Feb 11

Trade Restrictions: Non-tariff Barriers

Assignments: Text Ch. 6 and do one essay question selected from p.169.

Feb 16

Feb 18

Commercial Policies of the U.S.

Assignments: Text Ch. 7 and do one essay from page 211.

Feb 23

Trade Policies of Developing Nations

Assignments: Text Ch. 8 and do one essay from pp.239/240.

Feb 25 Mar 2	Regional Trading Arrangements.
	<u>Assignments:</u> Text Ch. 9 and do either Q.2 or Q.3, page 270.
Mar 4	Multinational Corporations
	<u>Assignments:</u> Text Ch. 10 and do one essay from pp.301-302.
Mar 9	<u>SECOND TEST</u>
	IV. INTERNATIONAL MONETARY RELATIONS
Mar 11	The Balance of Payments Accounts
	<u>Assignments:</u> Ch. 11 and do one essay from pp.320/321.
Mar 16 Mar 18	Exchange Rates under a Flexible Exchange Rate System.
	<u>Assignments:</u> Text Ch. 12 and do one essay from pp.350/351.(Do not select Q.1).
Mar 30	What factors affect Exchange Rates?
	<u>Assignments:</u> Text Ch. 13 and do one essay from pp.384/385.
Apr 1	Balance of Payment Adjustments: Through changes in the money supply.
	<u>Assignments:</u> Text Chapter 14 (Optional).
Apr 6	Balance of Payment Adjustments: Through changes in the exchange rates.
	<u>Assignments:</u> Text Ch. 15 and do one essay from p.419.
Apr 8 Apr 13	What alternative exchange rate systems can nations adopt?
	<u>Assignments:</u> Text Ch. 16 and do one essay from p.447.
Apr 15	The Open Macro-Economy
	<u>Assignments:</u> Text Chapter 17.
Apr 20 Apr 22 Apr 27	International Monetary Issues: The ME; SDR's; The Euro; and other issues.
	<u>Assignments:</u> Text Chapter 18.
Apr 29	Summary and Review
May 4	<u>FINAL EXAMINATION</u>