

Chaminade University
Honolulu, Hawaii 96816

Syllabus for: BU441 InternEcon
Instructor: Dr.Klauser
Office Hours: Daily
Telephone: 739-4611

COURSE TITLE: International Economics

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

I. 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.

II. STUDENT RESPONSIBILITY AND COURSE REQUIREMENTS:

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.

Spring 2000
Semester

I. INTRODUCTION

Jan 18 Course Outline and Requirements.
Perspectives and issues **about international** trade.

Assignments: Text Ch. 1 and do Q.2 or Q3 (p.16). #1

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 20 Why do Nations trade? What are the benefits of trade? The Law of Comparative
Jan 25 Advantage under constant and increasing cost conditions.

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

Jan 27 Terms of Trade

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

Feb 1 Trade Model Extensions and Applications
Feb 3

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

Feb 8 FIRST TEST

III. INTERNATIONAL TRADE POLICY

Feb 10 Trade Restrictions: Tariffs
Feb 15

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

Feb 17 Trade Restrictions: **Non-tariff Barriers**

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

Feb 22 Commercial Policies of the U.S.
Feb 24

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

Feb 29 Trade Policies of Developing Nations

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

Mar 2 Mar 7	Regional Trading Arrangements.
	<u>Assignments:</u> Text Ch. 9 and do either Q.2 or Q.3, page 270. # 9
Mar 9	Multinational Corporations
	<u>Assignments:</u> Text Ch. 10 and do one essay from pp.301-302. #10
Mar 14	SECOND TEST
	IV. INTERNATIONAL MONETARY RELATIONS
Mar 16	The Balance of Payments Accounts
	<u>Assignments:</u> Ch. 11 and do one essay from pp.320/321. #11
Mar 21 Mar 23	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). #12
Apr 4	What factors affect Exchange Rates?
	<u>Assignments:</u> Text Ch. 13 and do one essay from pp.384/385. #13
Apr 6	Balance of Payment Adjustments: Through changes in the money supply.
	<u>Assignments:</u> Text Chapter 14 (Optional).
Apr 11	Balance of Payment Adjustments: Through changes in the exchange rates.
	<u>Assignments:</u> Text Ch. 15 and do one essay from p.419. #14
Apr 13 Apr 18	What alternative exchange rate systems can nations adopt?
	<u>Assignments:</u> Text Ch. 16 and do one essay from p.447. #15
Apr 20	The Open Macro-Economy
	<u>Assignments:</u> Text Chapter 17.
Apr 25 Apr 27	International Monetary Issues: The IMF ; SDR's; The Euro; and other issues.
	<u>Assignments:</u> Text Chapter 18.
May 2	Summary and Review
Tue May 9 12:45-2:45	FINAL EXAMINATION