

ECON410 – Section 01
International Economics
Department of Finance & Economics
College of Industrial Management

Year 2010-2011 (101)

Instructor: Dr Muhammad Saifur Rahman

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Course Description:

The classical and modern theories of international trade and finance, balance of payments, exchange rates, terms of trade, tariffs and other trade barriers, international economics organizations, the new world economic order, economic integration and application to current issues.

Course Objectives:

You will:

- be familiar with key features of international trade and globalization phenomenon
- understand basic terminologies in international economics
- distinguish between micro and macro components of international economics and their associated topics
- be able to answer why and how countries get involved in international trade, using Ricardian model as well as Heckscher-Ohlin model
- appreciate the role of government in international trade, finance and open-economy macroeconomics
- recognize key international organizations and commercial policies (GATT and WTO) as well as well-known preferential trade arrangements
- realize the impacts of international trade on economic growth and national welfare
- understand how foreign-exchange markets work
- become aware of evolution of international monetary system – since the Gold Standard era

Textbook:

Krugman and Obstfeld (2009), International Economics, 8th ed., Pearson

Syllabus Outline:

Contents	Chapters
International Microeconomics (Int'l Trade Theory)	
1- An Introduction	Ch1&2
2- Classical Model of Int'l Trade	Ch3
3- The Standard Trade Model [H/O Model]	Ch4&5
<i>Complementary Reading:</i>	
Imperfect Competition	Ch6
International Factor Movement	Ch7
International Trade Policy	
4- The instruments of Trade Policy	Ch8
5- The Political Economy of Trade Policy	Ch9

<i>Complementary Reading</i>	
Trade Policy in Developing Countries	Ch10
Controversies in Trade Policy	Ch11
International Macroeconomics (Int'l Finance Thoery)	
6- National Income Accounting & Balance of Payments	Ch12
7- Foreign Exchange Market	Ch13
8- Money, Interest Rates, and Exchange Rates	Ch14
9- Price levels and Exchange Rate in the long run	Ch15
10- Output and Exchange Rate in the short run	Ch16
11- Fixed exchange rate & foreign exchange Intervention	Ch17
International Macroeconomic Policy	
12- The International Monetary System	Ch18
13- Macroeconomic Policy & coordination under floating exchange rates	Ch19
<i>Complementary Reading</i>	
Optimum Currency Areas & European Experience	Ch20
Global Capital Market: Policy Issues	Ch21
Developing Countries: Growth, Reform and Crisis	Ch22

Course Evaluation:

Mid-term (week 7) Chapters: 1-5 and 8-9	<u>SAT 06 Nov 2011 (time: 15:00-17:00)</u>	35%
Final Exam: Chapters: 12-19	<u>Sun 23 Jan 2011 (time: 7:30am)</u>	35%
Online Home works, Tests, Quizzes and writing Assignments		30%
a. Home works: 15%		
b. Quiz: 10%		
c. Tests: 5%		

Electronic Resources:

Weekly modules are available in my **WebCT**

Consultation Hours:

SM 10:00 – 11:00; or email to make appointment