

COURSE SPECIFICATION DOCUMENT

Academic School/Department: Richmond Business School

Programme: Economics

FHEQ Level: 6

Course Title: International Economics

Course Code: ECN 6102

Total Hours: 160

Timetabled Hours: 45

Guided Learning Hours: 15

Independent Learning Hours: 100

Credits: 16 UK CATS credits

8 ECTS credits

4 US credits

Course Description:

The course considers theoretical concepts of international specialization and world trade, commercial policy approaches and monetary issues of international economics such as balance of payments, foreign exchange rates and payment mechanisms. It also addresses current issues of international economics.

Prerequisites:

ECN 5205 Intermediate Microeconomics

Aims and Objectives:

The Course aims to familiarise students with the principles of international economics. The theories of international trade and international monetary economics will be considered. These concepts are essential for understanding and evaluating international economic situations and problems. In particular, the course considers international specialisation, the development of world trade, commercial policy, balance of payments, foreign exchange rates and payment mechanisms as well as current developments within the international economic framework.

Programme Outcomes:

ECN: A1, A4, A5 B1, B2, B4, C1-C3, C6, C7

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at: <http://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes:

Upon completion of this course, a successful student should be able to:

Knowledge and Understanding:

- Demonstrate an in-depth understanding of the key theories and concepts in international economics.
- Formalise axioms such as the free trade axiom and critically appraise institutional frameworks such as exchange rate mechanisms.
- Illustrate a critical understanding of the welfare implications of international economics.
- Critically analyse the absolute and comparative production advantages.
- Evaluate the international economic framework of trade and monetary interconnection.
- Apply international economic models to relevant topics.

Subject-Specific Skills:

- Make use of abstract, graphical and mathematical methods of analysis.
- Assess the appropriateness of a theoretical approach to a given situation, and apply appropriate microeconomic and macroeconomic models to given scenarios.
- Communicate the assessment and the limitations of the given models.

Other Skills:

- Show critical awareness of cost and benefit implications of international economic relations.
- Make use of marginal analysis in partial and general equilibrium models.
- Synthesise various incentive structures for economic behaviour within the international economic framework.
- Analyse equilibrium and disequilibrium situations in real international economics and monetary international economics. They are critically aware of the adjustment mechanisms in terms of goods price development or exchange rate fluctuations.
- Carry out comparative welfare analysis of the concepts of international exchange, specialisation etc.

Indicative Content:

- Principles of Absolute and Comparative Advantage
- Standard Theory of International Trade
- Factor Endowment, Market Structure Relevance, Economic Growth
- Tariffs and Non-Tariff Trade Barriers
- Economic Integration, Economic Development, International Resource Allocation
- Balance of Payments and Foreign Exchange Markets: Rates and Determination
- Price Adjustment Mechanisms
- Income Adjustment Mechanism
- Open Economy Macroeconomics: Policies
- European and International Monetary System
- Current International Economic Issues

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board and located at: <https://www.richmond.ac.uk/university-policies/>

Teaching Methodology:

The course is taught using a variety of methods including lectures, question sessions, directed and undirected reading, case studies, group work, and discussions.

Indicative Text(s):**Core Text**

Krugmann, P., Obstfeld, M., Melitz, M. (2018) International Economics – Theory and Policy (global edition), 11th edition, Harlow: Pearson.

Additional Reading

Dornbusch, R., Fischer, S., Samuelson, P. "Comparative Advantage, Trade and Payments in a Ricardian Model with a Continuum of Goods," in: *The American Economic Review*, Vol. 67(5), December 1977, pp. 823-839.

European Commission (2019) EU and Mercosur, available at:
http://ec.europa.eu/trade/policy/countries-and-regions/regions/mercosur/index_en.htm

Frankel, J. A., Romer, D. (1999) Does Trade Cause Growth? in: *American Economic Review*, 89 : 379-99.

Helpman, E., Krugman, P.R. (1985) *Market Structure and Foreign Trade*, Boston: MIT Press.

Mundell, R. (1963) Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates, in: *Canadian Journal of Economics and Political Science*, 29 (4).

Ricardo, D. (1821) On the principles of political economy and taxation, London: John Murray, Chapter VII (*On Foreign Trade*): 132-161, can be accessed via google books:
http://books.google.co.uk/books?id=iUUJAAAAQAAJ&printsec=frontcover&dq=Davide+Ricardo&hl=en&sa=X&ei=WaHET8eONYPU0QXM5bzVCg&redir_esc=y#v=onepage&q=David%20Ricardo&f=false

Robinson, J. (1937) The Foreign Exchanges in: H. Ellis and L.A. Metzler (eds) (1950) *Reading in the Theory of International Trade*, Homewood: Irwin, pp. 83-103.

See syllabus for complete reading list

Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Academic Registry
Minor	Updated Reading List	School Meeting 18 th March 2016	
Minor	Updated reading list	September 2019	
	Various updates as part of the UG programme review	AB Jan 2022	
	Revision – annual update	May 2023	
	Total Hours Updated	April 2024	