

COURSE SPECIFICATION DOCUMENT

NOTE: ANY CHANGES TO A CSD MUST GO THROUGH ALL OF THE RELEVANT APPROVAL PROCESSES, INCLUDING AB (FORMERLY LTFC).

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| Academic School/Department: | Business |
| Programme: | BA (Hons) Economics with Combined Studies BA (Hons) International and Development Economics BA (Hons) Financial Economics |
| FHEQ Level: | 6 |
| Course Title: | International Economics |
| Course Code: | ECN 6210 |
| Course Leader: | Sabine Spangenberg |
| Student Engagement Hours: | 120 |
| Lectures: | 45 |
| Seminar / Tutorials: | 75 |
| Semester: | Fall/Spring/Summer |
| Credits: | 12 UK CATS credits 6 ECTS credits 3 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 or ECN 5400

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.

Learning Outcomes:

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

Knowledge and Understanding:

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

Subject-Specific Skills:

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

Other Skills:

1. Show critical awareness of cost and benefit implications of international economic relations.
2. Make use of marginal analysis in partial and general equilibrium models.
3. Synthesise various incentive structures for economic behaviour within the international economic framework.
4. 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.
5. Carry out comparative welfare analysis of the concepts of international exchange, specialisation etc.

Programme Outcomes:

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

A detailed list of the programme outcomes are found in the Programme Specification.

This is located at the archive maintained by the Academic Registry and found at:

<http://www.richmond.ac.uk/programme-and-course-specifications/>

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 Richmond University Assessment Norms approved at Learning and Teaching Policy Committee found at:

<http://www.richmond.ac.uk/content/academic-affairs/academic-standing.aspx>.

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.

Bibliography:

See syllabus for complete reading list

Core Text:

Krugmann, P., Obstfeld, M., Melitz, M. (2015) *International Economics – Theory and Policy*, Pearson.

Salvatore, D. (2010) *International Economics*, 10th ed., Hoboken: Wiley

Additional Reading

Brander J., Spencer, B., (1985) Export Subsidies and International Market Share Rivalry, in: *Journal of International Economics*, Vol. 18.

Cattaneo, N. (2009) Production networks, economic integration and the service sector: Implications for regional trade agreements in southern Africa, in: *Journal of Contemporary African Studies*, 27 (4): 527-546.

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.

Dornbusch, R. (1976) Expectations and Exchange Rate Dynamics, in: *Journal of Political Economy*, 84 (6).

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=David+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.

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

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 | |
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