

American University
SIS-616-003, Fall 2020
Wednesdays, 5:30-8:00 PM, Online

INTERNATIONAL ECONOMICS

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International Economic Relations and International Economics Programs

Office hours: Before and after class and by prior appointment

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Course Description

International economics involves the application of the principles of micro- and macroeconomics to countries that are increasingly open to trade and capital flows across borders.

It covers why international trade in goods and services takes place and what are its many consequences; the motivation for and impact of barriers to trade; the pros and cons of joining trade blocs and of imposing trade or financial sanctions; the contribution that international commerce makes to the economic development process; the role played by multinational companies specifically, and foreign investors generally; the conventional accounting of cross-border trade and financial transactions; the workings of the foreign exchange market; the rationale behind, and impact of, different exchange-rate policy regimes; the underlying reasons for international financial crises; and the policy implications of the interplay between international and domestic macroeconomic forces under different exchange-rate regimes.

The course is a highly useful, stand-alone introduction to the subject for all students of international affairs and is the gateway course to the field of International Economic Relations (IER), and thus the prerequisite for taking “International Trade Relations” (SIS-665), “International Financial Relations” (SIS-666), “International Political Economy” (SIS-751), and other elective courses within SIS.

The learning objectives of this course, which will be tested in various ways, are to enhance your understanding of the essential vocabulary, analytical tools, theoretical principles, practical applications, and economic policy implications of both international trade and international finance. The expected learning outcomes are the ability to apply concepts and theories from international economics and political economy to explain trends and illuminate policy issues in the global economy, and the sharpening of your analytical and problem-solving skills, as demonstrated in multiple-choice examinations and the completion of homework assignments involving Excel.

Course Requirements and Grading

The course assumes that you have taken fairly recently a year-long sequence of micro- and macroeconomics, or at the very least the refresher/remedial course ECON-603 or an equivalent, and that you know basic economic concepts and analytical tools – or are willing to relearn them on your own by studying from standard textbooks. The course emphasizes and tests for the intuitive understanding and application of economic concepts, rather than the mastering of any mathematical or statistical techniques.

This is a lecture course, but your participation in the form of comments and questions is welcome, even though class participation is not graded. **The required textbook**, which will be read pretty much cover-to-cover, is *International Economics* by Thomas A. Pugel (New York: McGraw-Hill/Irwin, 2019), 17th printed (loose-leaf) or online edition. Prior editions of the textbook may be used but at students' own risk – namely, use of an older edition is not a valid excuse for any performance disappointments. Those who prepare themselves ahead of attending the lectures, by studying the textbook chapters and supplementary readings, tend to do well in the quizzes and exams.

The final grade distribution will be curved to reflect the performance of the class. The top-scoring students will be eligible for an “A” or “A-” letter grade; those scoring somewhat above, at, or somewhat below the median – most students – will be assigned a grade in the “B+” to “B-” range; and those (usually few students) scoring substantially below the median will receive a lower final grade (e.g., “C+” or “C”).

The course requirements are, **first**, thirteen (13) weekly multiple-choice quizzes containing a total of one-hundred (100) questions, administered via Blackboard and taken on your own ahead of specified deadlines. The quizzes account for 20% of the total class score. The purpose of these quizzes is to complement your understanding of textbook chapters, lectures and supplementary materials, as well as to help you prepare for the exams. Students who do well in the quizzes tend to do well in the exams.

The **second** course requirement is made up of two (2) assignments which involve data downloading, manipulation and display using Excel. The assignments account for 20% of the total class score (10% each). The purpose of these assignments is to sharpen your analytical and empirical research skills. All the instructions for the assignments are posted on Blackboard, and the completed assignments are to be uploaded onto Blackboard. If you're not very handy with Excel and its formulas, start reading up on them, and practicing Excel on your own, even before the first week of classes.

And the **third** course requirement involves three (3) closed-book, non-cumulative, multiple-choice exams that together account for 60% of the final score (20% each). The purpose of these objective tests is to measure your understanding and application of the textbook materials and of the short supplementary readings. The highlights of these will be covered during the class lectures and in accompanying PowerPoint slides displayed in class and posted on Blackboard. Sheer memorization of the slides will not be sufficient to do well in the exams, because many questions will test your analytical and

problem-solving skills, and because not everything will be covered in class or the slides. Doing well on the weekly quizzes, as mentioned, helps a great deal.

Important Information for All Students

Standards of Academic Conduct: All students are governed by American University's Academic Integrity Code. The Academic Integrity Code details specific violations of ethical conduct that relate to academic integrity. By registering, you have acknowledged your awareness of the Academic Integrity Code, and you are obliged to become familiar with your rights and responsibilities as defined by the code. All of your work (whether oral or written) in this class is governed by the provisions of the Academic Integrity Code. Academic violations include but are not limited to: plagiarism, inappropriate collaboration, dishonesty in examinations whether in class or take-home, dishonesty in papers, work done for one course and submitted to another, deliberate falsification of data, interference with other students' work, and copyright violations. The adjudication process and possible penalties are listed in American University's Academic Integrity Code booklet, which is also available on the American University website. Being a member of this academic community entitles each of us to a wide degree of freedom and the pursuit of scholarly interests; with that freedom, however, comes a responsibility to uphold the high ethical standards of scholarly conduct. See the AU website for additional details: www.american.edu/academics/integrity

In the Event of an Emergency: American University will implement a plan for meeting the needs of all members of the university community. Should the university be required to close for a period of time, we are committed to ensuring that all aspects of our educational programs will be delivered to our students. These may include altering and extending the duration of the traditional term schedule to complete essential instruction in the traditional format and/or use of distance instructional methods. Specific strategies will vary from class to class, depending on the format of the course and the timing of the emergency. Faculty will communicate class-specific information to students via AU e-mail and Blackboard, while students must inform their faculty immediately of any absence. Students are responsible for checking their AU e-mail regularly and keeping themselves informed of emergencies. In the event of an emergency, students should refer to the AU Student Portal, the AU Web site, and the AU information line at (202) 885-1100 for general university-wide information, as well as contact their faculty and/or respective dean's office for course and school/college-specific information. See the Emergency Preparedness website for additional details www.american.edu/emergency

AU provides numerous services to help students to be successful in their coursework: the Academic Support Center, the Counseling Center, Disability Support Services, the Writing Center and Writing Lab, and the Center for Diversity and Inclusion, most of which are located in the Mary Graydon Center (MGC). For Fall 2020, Academic Support and Access Center (ASAC) services will be offered virtually. See their website for additional details www.american.edu/provost/academic-access All students may take advantage of the Academic Support and Access Center (ASAC)(MGC 243) for individual academic skills counseling, workshops, Tutoring, peer tutor referrals, and Supplemental Instruction. Additional academic support resources available at AU

include the Bender Library, the Department of Literature's Writing Center (located in the Library), the Math Lab in the Department of Mathematics & Statistics, and the Center for Language Exploration, Acquisition, & Research (CLEAR) in Asbury Hall. A more complete list of campus-wide resources is available in the ASAC.

Counseling Center: For Fall 2020, all Counseling Center services will be offered virtually. See their website for additional details www.american.edu/ocl/counseling Please also see the Center's COVID-19 Resources for Mental Health for assistance during these uniquely challenging times www.american.edu/ocl/counseling/covid-resources.cfm The Counseling Center (x3500, MGC 214) offers intake and urgent care services, counseling and consultations regarding personal concerns, self-help information, and connections to off-campus mental health resources.

Writing Center: For Fall 2020, Writing Center services will be offered virtually. See their website for additional details: www.american.edu/provost/academic-access/writing-center.cfm The Writing Center (x2291, Bender Library, 1st floor) provides writing consultants to assist students with writing projects. Students must set up a free appointment via WC Online: www.american.mywconline.net

Disability Accommodations: For Fall 2020, Disability Accommodation services will be offered virtually. See their website for additional details www.american.edu/provost/academic-access/documentation-and-eligibility.cfm If you wish to receive accommodations for a disability, please notify your instructor with a letter from the Academic Support and Access Center. As accommodations are not retroactive, timely notification at the beginning of the semester, if possible, is strongly recommended. To register with a disability or for questions about disability accommodations, contact the Academic Support and Access Center at 202-885-3360 or asac@american.edu, or drop by the ASAC in MGC 243.

Office of Advocacy Services for Interpersonal and Sexual Violence (OASIS): For Fall 2020, all Health Promotion and Advocacy Center services will be offered virtually. See their website for additional details and to book appointments www.american.edu/ocl/promote-health/index.cfm A program of the Health Promotion and Advocacy Center (x3276, Hughes Hall 105), OASIS (the Office of Advocacy Services for Interpersonal and Sexual Violence) provides free and confidential victim advocacy services for American University students who are impacted by all forms of sexual violence (e.g. sexual assault, rape, dating or domestic violence, sexual harassment, or stalking) – either directly or indirectly. To schedule an advocacy meeting with one of AU's confidential victim advocates, visit their You Can Book Me page auhpac.youcanbook.me

Center for Diversity and Inclusion: For Fall 2020, all Center for Diversity and Inclusion services will be offered virtually. See their website for additional details: www.american.edu/ocl/cdi The Center for Diversity and Inclusion (x3651, MGC 201) is dedicated to enhancing LGBTQ, Multicultural, First Generation, and Women's experiences on campus and to "advance AU's commitment to respecting & valuing

diversity by serving as a resource and liaison to students, staff, and faculty on issues of equity through education, outreach, and advocacy.”

Schedule

If you want to maximize your learning and your performance in quizzes and exams, make sure that you do all the readings and study before attending each class.

Week #1: August 26: Theories of International Trade

Required reading: Pugel, Chapters 2 and 3 and any supplements on Blackboard.

Week #2: September 2: Theories of International Trade, cont'd

Required reading: Pugel, Chapters 4, 5 and 6 and any supplements on Blackboard.

Week #3: September 9: Trade Policies

Required reading: Pugel, Chapters 8 and 9 and any supplements on Blackboard.

Week #4: September 16: Trade Policies, cont'd, and Assignment #1 due by 5:30 PM

Required reading: Pugel, Chapters 10 and 11 and any supplements on Blackboard.

Week #5: September 23: Test #1 covering Chapters 2-6 and 8-11, supplementary readings and lectures; class continues after test: Trade Policies, cont'd

Required reading: Pugel, Chapter 12 and any supplements on Blackboard.

Week #6: September 30: Trade Policies, cont'd

Required reading: Pugel, Chapters 14 and 15 and any supplements on Blackboard.

Week #7: October 7: The Balance of Payments

Required reading: Pugel, Chapter 16 and any supplements on Blackboard.

Week #8: October 14: The Foreign Exchange Market

Required reading: Pugel, Chapters 17 and 18 and any supplements on Blackboard.

Week #9: October 21: Exchange-Rate Policies

Required reading: Pugel, Chapter 19 and any supplements on Blackboard.

Week #10: October 28: Test #2 covering Chapters 12 and 14-19, supplementary readings and lectures

Week #11: November 4: Exchange-Rate Policies, cont'd and Assignment #2 due by 5:30 PM

Required reading: Pugel, Chapter 20 and any supplements on Blackboard.

Week #12: November 11: International Financial Crises

Required reading: Pugel, Chapter 21 and any supplements on Blackboard.

Week #13: November 18: Open-Economy Macroeconomics

Required reading: Pugel, Chapters 22 and 23 and any supplements on Blackboard.

November 25: Thanksgiving Holiday; no class

Week #14: December 2: Open-Economy Macroeconomics, cont'd

Required reading: Pugel, Chapters 24 and 25 and any supplements on Blackboard.

Week #15: December 9: Test #3 covering Chapters 20-25, supplementary readings and lectures