International Trade and Finance (36-420)
Fall 2013

INSTRUCTOR: Dr. Denise Robson
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OFFICE HOURS: 9:00 – 10:00 A.M. on Monday – Thursday and by appointment
(Easiest to set up via e-mail)

The theory of economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions.

- J.M. Keynes

One must learn by doing the thing; For though you think you know it; you have no certainty until you try.

- Sophocles

The only place where success comes before work is in the dictionary.

- V. Lombardi

COURSE MATERIALS

Available on-line or in loose-leaf form at the University bookstore.

Recommended: The Economist (http://economist.com) or some other reputable news source covering international issues.

Prerequisites: Successful completion ('C' or better) in the Principles of Economics sequence (204/206)

GENERAL COURSE OBJECTIVES

1. Students will apply their understanding of economic theory to international problems by
   - Being familiar with the historical underpinning of various trade theory
   - Comprehending the interconnectedness of the world economy
   - Mastering the models used to determine the basis for trade, terms of trade, and gains from trade
   - Realizing the effects of trade restrictions using the trade models.
   - Being aware of how the assumptions underlying the trade models limit their use in explaining the “real world”.
   - Making sense of the balance of payments and how it is used to summarize international flows between countries
   - Determining how exchange rates are established and be aware of how they can be manipulated
   - Describing how exchange rates are determined and explain how changes in key variables influence them

2. Students will become familiar with how international issues affect not only national economies, but also the different sectors within an economy. They will
   - Recognize the growing interdependence of the world’s economies
   - Contemplate the role of globalization in shaping economic development over time
• Be aware of the winners and losers from international trade
• Assess the arguments for and against freer trade
• Identify how business is affected by various trade policies
• Understand the implications of the U.S. current account deficits for both the U.S. and the world

3. Students will critically evaluate issues, problems, and arguments relating to international economics. They will
• Explore the political and ideological facets of globalization.
• Assess how current events affect the world economy
• Research the economy of another country and use trade theory to explain its trade patterns.
  Students will work together, learn to delegate tasks, collect and analyze data, and organize material into a coherent report and presentation.
• Develop economic reasoning powers by means of debating different issues pertaining to globalization and current world events via in class discussions and various assignments.

EVALUATION

The primary goal of this course is to provide you with a useful way to understand the world around you, evaluate various decisions and policies, and instill a sense of curiosity and healthy skepticism when navigating your way through life. At the same time however, academic traditions (and rules!) require that your performance is evaluated. Your final grade will be determined in the following manner:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Exams (evenly weighted)</td>
<td>70%</td>
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<tr>
<td>Assignments and Problems</td>
<td>25%</td>
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<tr>
<td>Course Participation</td>
<td>5%</td>
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Grade determination: Letter grades are based on the following breakdowns of the weighted percentage of point:

- 90 percent or above
  A - Superior Achievement on assignments, demonstrating initiative and independent resourcefulness.

- 80 percent
  B - Above Average Achievement

- 68 percent
  C - Average Achievement

- 55 percent
  D - Below Average Achievement

- below 55 percent
  F - Failure to complete assignments or complete them with a marginal level of proficiency.

COURSE INFORMATION

International economics is a senior level economics course that builds on the tools and theories learned in your principles courses. This course heavily emphasizes mathematical and graphical analysis and requires you to explain how you got your answers and what they mean. I strongly recommend you form study groups. Answers in this course will not always be straight forward and you will find it easier to discuss them with each other. Remember two heads are better than one, so establishing study groups early on will be to your advantage.
Exams. There will be three equally weighted exams given in this course. The first covers the basic trade theories, the second covers protectionism, and the third covers international finance. These tests will require you to integrate the material from your problem sets, class and your readings in a thoughtful and analytical manner. Do not expect the exams to be identical to the homework problems.

Assignments and Problems. Problems will include one at the end of chapters in the textbook and integrated problem sets designed to help you learn the mechanics of the theories and explain how they work. They usually require a lot of time and effort to complete; as such, I would recommend working with classmates. Assignments will include current event analysis, data collection, article evaluation and presentations/discussions, etc. These assignments are designed to help you take material presented in class to the next by applying it in various situations.

Participation and Attendance. Since much of this class will involve working with your classmates, attendance is expected. Attending class, though, does not guarantee you will receive all of the participation points. To make the class more relevant and interesting, you need to be actively involved; this includes asking relevant questions; providing answers to questions, whether the question is from a classmate or me; and entering into class discussions. Please feel free to bring up current event articles for discussion in class. Active discussion makes the course more interesting for all.

Course Policies

Make-ups and Late assignments. Exams cannot be made up unless arrangements are made prior to the exam date. If you miss an exam due to illness, I must receive a message prior to the exam and a written doctor’s excuse must be provided upon your recovery. Make up exams may take a different format than the original exam and may be scheduled at the end of the semester. Problems and assignments will be penalized by up to 10% for each day it is late (An 10 point assignment that is due on Monday will lose one point if handed in Tuesday, two points on Wednesday, Three on Thursday and so forth. I will not accept late problems or assignments after I have graded them (or posted the answers to D2L).

Academic Honesty Policy. Cheating on exams, plagiarizing, or any other form of academic dishonesty will RESULT IN AN AUTOMATIC "0" FOR ALL INVOLVED PARTIES, AND MAY RESULT IN AN "F" FOR THE COURSE.

COURSE PREPARATION

- This course is a senior level economics course. This means that you are expected to have a good principles level foundation. If you do not, you will need to plan on spending additional time reviewing the relevant principles concepts.
- Remember most learning takes place outside of class. Expect to spend 2-3 hours outside of class for every one hour in class
- Study with peers. A good way to find out if you know something is to try to explain it to someone else.
- In preparing for class, it is advisable for you to read the text and keep a notebook that will contain notes, comments and questions about the material in the text or any other assigned readings.
• Taking time after class to review notes and work problems at the end of each chapter, even if not assigned, will help you get a better grasp of this material. Make a list of questions to ask instructor or class mates.
• Class assignments are designed to help you learn the mechanics of the theories. Tests will incorporate mechanics, but they will **emphasize application and evaluation of the theories**.
• Class lectures need to be interactive to be effective. There is always the temptation on the part of any instructor to move too quickly through the material. You are responsible for making sure you are able to grasp the material presented, even if it means asking the instructor to repeat the material.
• Remember I am also a resource, just like your text, the library, the Internet, etc. Feel free to see me whenever you have questions or just want to discuss the material.
• **Stop by my office when questions arise. My door is open when I am in my office.**

Use of laptops, ipads, ipods, cell phones, headsets for non-course related applications is not acceptable; If I deem the use of any such items as disruptive, it will be confiscated until the end of the class period.

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**Tentative Class Schedule Fall 2013**  
*Coverage and Dates are Subject to Change*  
*You are responsible for knowing about any changes*

**Unit 1**  
Lecture material not in the textbook  
Chapters 1 - 4, 5 - 6 as time allows  

**Exam 1** (Tentatively October 8th or 10th)

**Unit 2**  
Lecture material not in the textbook  
Chapters 7 - 9  

**Exam 2** (Tentatively November 7th)

**Unit 3**  
Lecture material not in the textbook  
Chapters 10 - 13, 14 -15 as time allows  

**Exam 3** (December 12th)

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Remember, whatever you put into this course determines what you take away from it. The goal is to acquire knowledge and skills that will help you throughout your life, not just to pass the course.