2015

ECON 627-01 International Economics and Business

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Thursday: 11-11:30; 4:30-6:00; also by appointment.
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Course Overview:

This course examines various theories and concepts that are essential for understanding recent issues in the global economy. Specifically, we will examine why and how countries trade with each other, the effect of trade on economic growth and income inequality, the consequences of immigration and multinational activities, and the role of currencies and exchange rate. Time permitting, we will discuss contemporary issues concerning economic integration such as the European Monetary Union (EMU) and the North American Free Trade Agreement (NAFTA). After completing this course, you will hopefully be able to analyze current issues in global economics using some of the tools learnt from this class.

Course Material:

There are no required textbooks for this course. My own lecture notes are primarily based on the texts listed below. You are welcome to buy these books so that you can consult them if necessary:

- *Economics of Development* (6th edition) by Perkins, Radelet and Lindauer

Any editions of these textbooks will be fine. Additional readings and course material will be posted in Canvas.

Pre-requisites:

**ECON 600: Managerial Economics.** Like other economics courses, this course is somewhat technical in nature. So, if you are not confident about your math background, please do some reviewing now.

Grading:

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Attendance</td>
<td>0%</td>
</tr>
<tr>
<td>Class conduct/participation</td>
<td>10%</td>
</tr>
<tr>
<td>Problem Sets</td>
<td>15%</td>
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<tr>
<td>Presentation and Report</td>
<td>20%</td>
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<tr>
<td>Midterm exam</td>
<td>25%</td>
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<tr>
<td>Final exam</td>
<td>30%</td>
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<tr>
<td>TOTAL</td>
<td>100%</td>
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Exams: Exams will be closed book and consist of a mix of problems, short questions, and multiple-choice questions. The final exam will not be cumulative. For the exams, you will be responsible only for the material discussed in class.
**Presentation and Report:** You will also work in groups of 3-4 students to prepare a presentation of an economic or business topic related to another country (e.g. Causes of Germany’s Manufacturing Growth: Lessons for the USA) by combining your own research with insights obtained from the lectures and course material. You will present your findings to the class on December 10th. The presentations should take 15-20 minutes and will be followed by a brief Q&A session. The presentation slides, as well as a 2-4 page summary report of your analysis, will be due to me by email at faruqh@xavier.edu on or before 5 p.m. on December 8th (one email per group will suffice). Groups will be assigned during the first week of class. I will provide more information on the presentation in class.

The grades may be curved if the class average is very low, but there is no guarantee it will happen. Final grades will be determined according to the following scale. Only the final grade will be rounded off.

- A = 94% and above
- A- = 90-93%
- B+ = 87-89%
- B = 83-86%
- B- = 80-82%
- C = 70-79%
- D = 60-70%
- F = Below 60%

**Tentative Course Plan:**

The course coverage may vary depending on our progress in class. Any changes will be announced in class and in Canvas.

- **8/27**
  - Discuss syllabus
  - Introduction
  - Globalization, pros and cons (instructor notes)

- **9/3-9/10**
  - Theories of economic growth ((Perkins et al., Chapter 4)

- **9/17**
  - Gravity Model (Krugman, 8th edition, Chapter 2)
  - Ricardian Model (Krugman, 8th edition, Chapter 3)

- **9/24**
  - Ricardian Model (Krugman, 8th edition, Chapter 3)

- **10/1**
  - Comparative Advantage (Krugman, 8th edition, Chapter 4)

- **10/8**
  - Comparative Advantage (Krugman, 8th edition, Chapter 4) (continued)
  - Economics of Scale (Krugman, 8th edition, Chapter 6) (may be included in the final depending on our progress)
  - Review for midterm

- **10/15**
  - Midterm Exam

- **10/22**
  - Immigration and FDI (Krugman, 8th edition, Chapter 7)

- **10/29**
  - Trade barriers (Krugman, 8th edition, Chapter 8)

- **11/5**
  - Trade and the Balance of Payments (Gerber, 5th edition, Chapter 9)
  - Class session on group project

- **11/12**
  - Exchange Rates and Exchange Rate Systems (Gerber, 5th edition, Chapter 10)

- **11/19**
  - Open Economy Macroeconomics (Gerber, 5th edition, Chapter 11)
  - Foreign Debt/Aid (Perkins et al., Chapter 14-15) (*Time permitting*)

- **11/26**
  - Thanksgiving: no class

- **12/3**
  - Review for final
  - Concluding remarks

- **12/8**
  - Email presentation slides and summary to me by 5 pm at faruqh@xavier.edu

- **12/10**
  - Presentations

- **12/17**
  - Final (not cumulative but may include some topics from the midterm)
Course Policies:

Attendance: Attendance is not required (although be sure to attend your own group’s presentation!) but I strongly encourage you to attend class since having a good set of lecture notes is essential for performing well in this course. Sometimes, we will skip some sections of the textbook, cover some chapters in a different order than they are in the textbook and rely on outside readings. If you miss a class, get the lecture notes from one of your classmates at your earliest convenience. After reviewing the notes, do not hesitate to talk to me if you have any questions.

Participation, conduct and assignments: Your participation (e.g. paying attention in class, answering questions, etc.) and conduct in class, office hours and email may be taken into account to determine your final grade for the course. This class has a ‘no laptop/tablet PC’ policy. Activities such as leaving classroom during lecture, frequent sidebar conversations and frequent texting on cell phones instead of taking class notes can distract other students and will impact your class participation grade. There will also be several in-class assignments to help check your progress in the course. Your effort in these assignments will also be factored into the calculation of your final grades.

Make-up exam/assignments: In case of a verifiable documented medical/work emergency, the weight of your remaining exams/assignments will be adjusted to make up for lost credit. If you have a conflict with the exam dates listed above, talk to me as soon as possible. The final exam is mandatory. Missing it will result in a grade of zero for the final.

Late submissions: Any written assignments will be due at the beginning of class on the due date. Late submissions will be marked down 20% per day and will not be accepted after the answers are discussed in class or posted online.

Email: If you want to set up an appointment, talk to me about your grades, or discuss why you may miss a class, the best time to get hold of me is usually at the beginning or end of class rather than sending me an email. For longer questions or questions involving graphs/algebra, you are welcome to talk to me in person in my office hours. I am happy to see you in my office! If you use email, kindly use it for short questions (i.e. anything that can be answered in 1-2 lines).

Academic dishonesty: Plagiarism on a project/paper, copying classmates’ assignments word-for-word or cheating during an exam will result in a grade of "F" for the relevant assignment. In addition, the Dean of the College will be notified about the incident.

Accommodations for disability: Students who require disability accommodations in this class are encouraged to make their requests by sharing their Accommodation Letters with me at the beginning of the semester either during office hours or by appointment. Disability related information is confidential. If you have not previously contacted Disability Services, I encourage you to do so by phone at 513-745-3280, in person on the Fifth Floor of the Conaton Learning Commons, Room 514, or via e-mail to Cassandra Jones at jonesc20@xavier.edu, to coordinate reasonable accommodations as soon as possible as accommodations are not retroactive.

About this syllabus: I reserve the right to modify the syllabus as needed.

How to do well in this course:

Pay attention in class and take good notes. The course material is challenging and builds up quickly, so do not hesitate to ask questions, especially if you do not understand something or if something seems
important. Talk to me outside of class, if necessary. I will be happy to see you in my office. Keep up with
your readings. Review the assignments carefully. Most importantly, do all of these things early; do not
wait until just before an exam to find out whether you can understand the course material. If you show me
that you have a sincere interest to learn, I will do my best to help you get the most out of this course.

WCB Mission Statement:

“We educate students of business, enabling them to improve organizations and society, consistent with
the Jesuit tradition.”

WCB Learning Goals For This Course:

This course aims to fulfill the following learning goals and objectives of the Williams College of
Business (WCB).

Global Perspective and Cultural Diversity
Learning Goal: WCB MBAs will be able to work across cultural boundaries, whether these are
ageographical or societal, in that they possess a recognition and appreciation of the global environment of
business and an understanding and appreciation of diversity.
Corresponding Objective: MBA students will evaluate and integrate economic, political, technological,
environmental and societal issues into their decision making and show competencies required to compete
in the global environment in their analyses.

Critical Thinking
Learning Goal: WCB MBAs are able to clarify problems, generate and evaluate alternatives using
appropriate analytical and quantitative techniques, and draw conclusions.

Effective Written and Oral Communication
Learning Goal: WCB MBAs are proficient in written and oral communication.
Corresponding Objective: MBA student deliver professional presentations accompanied by the
appropriate technology.