

**International Economics**  
ECON 4325 (CRN 35967)  
Summer 1 2018  
MTWRF 11:40-1:50 AM (June 11-July 9)  
Business Administration, Room 301

Instructor: Nathan Ashby, Ph.D.  
Office: Business Administration 242  
Office Hours: MWF 4:20 PM-5:30 PM; TR 10:00 AM-11:30 AM; or by appointment  
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**Required:** Required readings will be available on Blackboard for download and/or printing. These readings are listed in the Course Outline below.

**Required Tools:** Reef Polling Course Response System (reef-education.com)

**Recommended:** Gerber, J., *International Economics*, 6<sup>th</sup> edition, ISBN: 978-0-13-294939-2

Bhagwati, Jagdish. *In Defense of Globalization*, ISBN: 978-019-530003-1

Boudreaux, Donald J., *Globalization*, ISBN: 978-0-313-34213-4

Eichengreen, Barry. *Globalizing Capital*, ISBN: 978-0-691-139371-1

Ayau, Manuel. *Not a Zero Sum Game*. ISBN 99922-799-9-0

Rivoli, Pietra. *The Travels of a T-shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade*. 0-471-64849-3.

Roberts, Russell. *The Choice: A Fable of Free Trade and Protectionism*, 0-13-143354-7.

*The Wall Street Journal, Financial Times, New York Times, Economist*

Prerequisites: ECON 2303, ECON 2304

**Course Description:** In this course we will discuss in more depth the principles of comparative advantage, trade, trade balances, exchange rates, and international monetary issues. We will also be discussing the political economy of international trade policy and strategies for improving the lives of individuals throughout the world. We will be building upon the principles learned in your introductory economics courses. Therefore, a good understanding of these concepts is essential. By the end of the semester, you should be able to critically analyze current day issues such as outsourcing, protectionism, trade deficits, and exchange rates.

**Course Objectives:** By the end of the semester, students should at *least* know the following:

1. Have a deep understanding of the concept and relevance of comparative advantage in trade and in our daily lives
2. Understand how different factors of production such as labor and capital are impacted by trade
3. Understand how trade beyond the basic concepts of comparative advantage benefits individuals and societies
4. The impact of tariff and non-tariff barriers on economic outcomes
5. Understand the political economy aspects of trade and the determinants of economic growth
6. Understand how trade balances are measured and how to properly interpret data reported by the media
7. Understand what determines exchange rates, and the relationship between exchange rates and prices in the long run
8. Current issues related to economic development in different regions around the world
9. The tradeoffs related to integrating countries into a monetary union

**Grades:** The class grade will be determined by the following components:

Four Exams. ....75%  
Participation.....25%

**Exam Dates:**

Exam 1            Monday, June 18  
Exam 2            Tuesday, June 26  
Exam 3            Monday, July 2  
Exam 4            Monday, July 9, 1:00-3:45 PM

**Exams:** You will be required to bring a blue book to each exam. Failure to do so will result in an automatic deduction of 10 percent on the exam. Your lowest exam will be dropped. Your highest three exams will be equally weighted. It is your responsibility to check the final exam schedule for the date and time of the final. The exams will be entirely written. **I will only arrange for make-up exams for university excused absences cleared with me PRIOR to the exam.** The final exam will be comprehensive.

**Participation:**

UTEP students receive free access to REEF Polling this semester. In order to use Reef polling, you will need to bring a lap top, tablet, or cell phone to class. If for some reason you do not have access to at least one of these technologies in class, you can buy an iClicker from the bookstore.

I will use this tool to take polls in class and also to see how well you understand the concepts covered. I expect active participation. I expect you to come to class prepared and answer the questions I give to the best of your ability based on your preparation prior to class and on my explanations in class.

I will give a lot of leeway in determining your participation grade. Anyone with 80 percent or more of the total participation points will be given a perfect score of 25; those with between 70 and 80 percent will get 22.5 points; those with between 60 and 70 percent will get 20 points; those between 50 and 60 will get 17.5 points; those between 40 and 50 percent will get 15 points; those between 30 and 40 points will get 12.5 points; those between 20 and 30 percent will get 10 points; those between 10 and 20 will get 7.5 points; and those between 0 and 10 percent will get 5 points.

Fifteen percent of your grade may not seem like a whole lot. However, by the end of the semester you will be happy to have as many participation points as possible. In addition, you will find that active participation in class will greatly enhance your performance on exams.

There will be times for most of you when you are unable to send the attendance code or answer a question due to technology glitch. I encourage you to fill out a log where you record the date the error occurred and a description of the error. That way you can send a request to REEF to make a correction for the error. You will be able to turn a log for any remaining issues by July 3. If I feel some of your reasons are legitimate, I may adjust your score for some of your issues at my discretion. **That said, do not come up to me in class and complain about the technology not working. This will waste your time, my time, and the time of class members. Asking me to deal with your technology problem is like asking the garbage man to fix your cable. Contact REEF Polling support at <http://support.REEF-education.com/> and they will help you out.**

### Grading Scale

A	90-100
B	80-90
C	70-80
D	60-70
F	<60

### Course Outline (\*=Required)

Dates	Lectures/Reading Assignment	Reading Assignment
6/11, 6/12	Lecture 1: Introduction *Krugman, Paul. 1993. "What Do Undergrads Need to Know About Trade?" <i>American Economic Review</i> . 82(2):23-26.	
6/13, 6/14	Lecture 2: Comparative Advantage and the Gains from Trade *Smith, Adam. 1904 [1776]. <i>An Inquiry into the Nature and Causes of the Wealth of Nations</i> . (Book 1, Chapter 2; Book 4, Chapter 2). London: Methuen & Co., Ltd.  Gerber, James, 2013. "Comparative Advantage and the Gains from Trade." Chapter 3 in <i>International Economics 6<sup>th</sup> Edition</i> . Pearson, pp. 40-62.	
6/15	No Class	
6/18	Lecture 3: Comparative Advantage and Factor Endowments  *Bastiat, Frederic, 1996 [1845]. "Abundance and Scarcity," Chapter 1 in <i>Economic Sophisms</i> . Irvington-on-Hudson, NY: The Foundation for	

	<p>Economic Education, Inc.</p> <p>Gerber, James, 2013. "Comparative Advantage and Factor Endowments." Chapter 4 in <i>International Economics 6<sup>th</sup> Edition</i>. Pearson. pp. 63-91.</p>
6/19	<p>Lecture 4: Beyond Comparative Advantage</p> <p>*Buchanan, James M., and Yong J. Yoon. 2002. "Globalization as Framed by the Two Logics of Trade." <i>Independent Review</i>. VI (3): 399-405.</p>
6/20, 6/21	<p>Lecture 5: International Factor Movements (Immigration and Foreign Direct Investment)</p> <p><b>No Readings</b></p>
6/22, 6/25	<p>Lecture 6: Tariffs, Quotas, and Other Barriers to Trade</p> <p>*Bastiat, Frederic, Chapters 8-10 in <i>Economic Sophisms</i>. Irvington-on-Hudson, NY: The Foundation for Economic Education, Inc.</p>
6/27, 6/28	<p>Lecture 7: Political Economy of Globalization and Trade</p> <p>Caplan, B., 2007. "Systematically Biased Beliefs About Economics." Chapter 2 in <i>The Myth of the Rational Voter</i>, New Jersey: Princeton University Press, pp 23-49.</p>
6/29, 7/2	<p>Lecture 8: Human Development</p> <p><b>No Readings</b></p>
7/2, 7/3	<p>Lecture 9: Trade and the Balance of Payments</p> <p>*Bastiat, Frederic, Chapters 6-7 in <i>Economic Sophisms</i>. Irvington-on-Hudson, NY: The Foundation for Economic Education, Inc.</p> <p>*Boudreaux, D.J., 2008. "The Balance of Trade and Trade Deficits." Chapter 6 in <i>Globalization</i>. Westport, CT: Greenwood Press, 99-116.</p> <p>Hume, David, 1987 [1742]. "Of the Balance of Trade." Part II, Essay V in <i>Essays, Moral, Political, and Literary</i>. Indianapolis, IN: Liberty Fund, Inc.</p>
7/5	<p>Lecture 10: Exchange Rates</p> <p><b>No Readings</b></p>
7/6	<p>Lecture 11: International Financial Crises</p> <p><b>No Readings</b></p>
7/9	<p>Final Exam, 1:00 AM-3:45 PM</p>

**Lectures:** Lectures will be posted before class. It is your responsibility to come to class prepared ready to participate. There will be many days in which there are no readings. In these instances, it will be especially important for you to pay close attention to the lectures in order to answer the questions in class and learn the material.

**Laptop Policy:** Obviously, given the use of Top Hat, technology will be allowed in this class. I also know many students are very efficient at taking notes on these devices and will assume that

you will be using them for this purpose when not answering Top Hat questions. However, if ever I see that you are using it for other purposes or that your use is distracting other students, I will ask you to put it away at the expense of your participation credit for that day. If you continue to abuse the technology, I will restrict your access for the remainder of the semester.

**Communication:** During the semester it will be important for me to inform you of announcements or important changes to the course. You should regularly check your email. If you do not use your UTEP account, you should have it forwarded to the account that you do use on a regular basis. Please properly include ECON 4325 in the subject line if you want me to read and/or respond to your message.

**Note:** Incompletes will not be given for poor performance in this class. Also, note that it is the student's responsibility to ensure proper registration for the course. Failure to do so will result in no grade.

**Attendance:** Attendance is required. Students that attend class are likely to do better than those who do not. If students miss a class, they are responsible for all material covered in class. *Borderline students will be rewarded for active participation in class at my discretion.*

**Student Conduct:** Students should participate in class discussions and ask questions if they arise. Students are expected to arrive to class on time, remain in class until the class is dismissed, and to refrain from private conversations and outside reading materials during class.

**Getting Help:** Please feel free to visit me during my office hours to ask questions or discuss the course material in more detail. If you are unable to come during these times or you really feel like you need to visit me, send me an email, give me a call, or just stop by. ***If you are struggling, please do not wait until it is too late to get help!!!!*** Also, if at any time you have a suggestion as to how the class could be improved, please feel free to discuss this with me. Such feedback would be appreciated by me and possibly other members of the class.

That said, I will not attend to any emails, visits, or phone calls begging for grade changes. Nothing short of legitimate appeals with regard to grading will be honored. I will give a maximum of one week to contest the results of an exam after which the grade will stand regardless of any mistakes made by me.

**Academic Integrity:** The University of Texas at El Paso prides itself on its standards of academic excellence, UTEP faculty and students must strive to achieve excellence based on the quality of work produced by the individual. In the classroom and in other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of scholastic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that the members of this academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards. Violators will be reported to the dean of students.

It may be possible to game Top Hat participation in a way that you get credit when you are not present in class. I will take significant precautions to prevent this from happening. However, if I find out that you are taking advantage of me and your fellow classmates in a way which allows you to obtain participation credit when you are not in class, I will pull Top Hat privileges from you and turn you in to the Dean of Students. I will recommend zero for participation for the semester or a letter grade reduction in your overall grade.

**Students with disabilities:** If you are or think you might be a person with a documented learning disability and anticipate needing any type of accommodation in order to participate in this class, please register with the Center for Accommodations and Support Services in Room 106 of the East Union Building.