

International Economics
ECON 4325
The University of Texas at El Paso
Spring 2024
Course Dates: 1/16/24-5/2/24

Version Date: 1/12/24

Meeting Times:

Section 001 (CRN 23960) MW 1:30-2:50 PM
Section 002 (CRN 27044) MW 10:30-11:50 AM

Note: With few exception all the content in this syllabus will be the same for both courses. Differences will always be indicated using color coding above and by providing the section number (i.e, 001 or 002) or meeting time (i.e., 1:30, 10:30). Students are responsible for knowing the section to which they are assigned and the corresponding coding.

Instructor: Nathan Ashby, Ph.D.
Office: COBA 242
Office Hours: MW 12:00-1:00 PM, 3:00-4:30 PM, W 9:30-10:20 AM, TR (by appointment)
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Required Text:

Ashby, Nathan J. 2022. *International Economics: A Practical Guide* ©. Unpublished [Digital Only to be provided on Blackboard]

Other readings listed on syllabus to be provided on Blackboard

Other Sources that may be helpful:

Gerber, J., *International Economics, 6th 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

UTEP Course Catalogue Entry: Principal theories of international trade: foreign exchange markets, international capital flows, barriers to trade, international economic institutions, and the economics of regional trade integration. Restricted to majors: ACCT, BSAD, CIS, ECON, FIN, MGMT, and MKT. Prerequisites: ECON 2303, ECON 2304 or equivalent preparation and permission of the instructor, and junior standing.

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.

Student Learning Outcomes (*Edge Advantage Codes in Parentheses*)

Understand exchange at varying levels of complexity analyze the impact of exchange both broadly and narrowly (*EA.5, EA.7, EA.8*)

Demonstrate the ability to communicate effectively in writing on issues related to international exchange and policies (*EA.1*)

Course Objectives: Student Learning Outcomes will be assessed based on student understanding of the concepts below:

1. The benefits of exchange at the basic level.
2. The concept and relevance of comparative advantage in trade and in our daily lives
3. How different groups are impacted by trade depending on their situation
4. How economies of scale and overlapping demand provide higher volume and variety of goods
5. The impact of tariffs and non-tariff barriers on different domestic groups and foreign participants
6. Public choice analysis and how this can be used to analyze political decision making processes and outcomes.
7. How trade balances are measured and how to properly interpret data reported by the media
8. What determines exchange rates, and the relationship between exchange rates and prices in the long run
9. How the mismanagement of currency regimes can lead to financial crises and how these can be avoided.

Grade Components: Evaluation of performance will be based on following components and weights:

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|---------------------------------|-----|
| Exams. (Four) | 60% |
| Lecture Quizzes (Thirteen)..... | 15% |
| In-Class Assignments..... | 15% |
| Participation..... | 10% |

Exams:

Dates:

| | |
|--------|-----------------------|
| Exam 1 | Wednesday, February 7 |
| Exam 2 | Monday, March 4 |
| Exam 3 | Monday, April 3 |

Final Exam **Wednesday, May 8, 4:00-6:45 PM (1:30 Section)**, **Friday, May 10, 10:00 AM-12:45 PM (10:30 Section)**

Exam Preparation and Procedures:

Exams will be all written and generally will be closed books with no calculators. The quizzes will help prepare you for the exam and I usually provide additional study guides for students to prepare for the exam. I focus my class lectures on common objectives. Attending class and paying attention will be the best way for you to prepare for exams. **You will be allowed to drop any exam including the final.** This means that if you do well on the first three exams, you will not need to take the final. I will not make any accommodations for students other than university excused absences. If you have to miss more than one exam date, it would be best to consider taking this course during a different semester.

My proctoring procedure will be very strict. No students will be allowed to leave without turning in their exams and will not be able to return to complete the exam. The students are responsible to make sure that they are properly hydrated but also that they do not need to use the restroom during exam. If a student has any medical conditions that require regular bathroom use, I recommend seeking accommodations through CASS. Otherwise, these restrictions will apply. I reserve the right to assign seating for exams and make changes to such assignments as I deem necessary.

Lecture Quizzes:

There will be 13 quizzes corresponding to all lectures for you to complete on Blackboard. Your lowest two quizzes will be dropped. You will get unlimited attempts to complete each quiz. These will need to be completed by the dates stated on the Course Outline below for full credit.

In-Class Assignments:

There will be seven In-Class Assignments with the dates indicated on the Course Outline. These will be interactive and will be used to help students to better apply and understand content covered in class and the readings. Students will be allowed to drop the two lowest. Any students with more than two university excused absences that conflict with these dates, should discuss with me how to make up for these. Otherwise, no additional accommodation will be given for these.

Participation:

UTEP students receive free access to iClicker Polling this semester. In order to use Reef polling, you will need to bring a lap top, tablet, or cell phone to class. 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 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 10; those with between 70 and 80 percent will get 9 points; those with between 60 and 70 percent will get 8 points; those between 50 and 60 will get 7.5 points; those between 40 and 50 percent will get 6 points; those between 30 and

40 points will get 6 points; those between 20 and 30 percent will get 4.5 points; those between 10 and 20 will get 3 points; and those between 0 and 10 percent will get 2 points.

Ten 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 iClicker to make a correction for the error. You will be able to turn a **hard copy** of the log for any remaining issues by May 1 at 5:00 PM. 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 iClicker Polling support at <https://macmillan.force.com/iclicker/s/> and they will help you out.**

Grading Scale:

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|---|----------|
| A | [90-100] |
| B | [80-90) |
| C | [70-80) |
| D | [60-70) |
| F | <60 |

Course Outline:

Thirteen lectures (chapters) will be divided into four units according to the outline below. Required readings and assignment dates are included.

| Lectures | Content Covered (*=required readings) | Assignments (Due Dates) |
|--|--|---|
| <i>Unit 1: Introduction and Basic Trade Models</i> | | |
| 1/17, 1/22 | *Chapter 1: Introduction Readings: *Krugman, Paul. 1993. "What Do Undergrads Need to Know About Trade?" <i>American Economic Review</i> . 82(2):23-26. | Lecture 1 Quiz (1/22) |
| 1/22, 1/24, 1/29 | Lecture 2: Comparative Advantage and the Gains from Trade Readings: | Lecture 2 Quiz 2 (1/28) In-Class Assignment 1 (1/24, 1/29) |

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|--|---|--|
| | <p>Chapter 2: Gains from Trade and Comparative Advantage</p> <p>*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.</p> | |
| 1/31, 2/5 | <p>Lecture 3: The Distribution of Gains Through Trade Based on Comparative Advantage</p> <p>*Bastiat, Frederic, 1996 [1845]. "Abundance and Scarcity," Chapter 1 in <i>Economic Sophisms</i>. Irvington-on-Hudson, NY: The Foundation for Economic Education, Inc..</p> | Lecture 3 Quiz (2/4) |
| 2/7 | Unit 1 Exam (L1-L3) | |
| <i>Unit 2: Advanced Trade Models</i> | | |
| 2/12, 2/14 | <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> | <p>Lecture 4 Quiz (2/13)</p> <p>In-Class Assignment 2 (2/14)</p> |
| 2/19, 2/21 | <p>Lecture 5: International Factor Movements (Immigration and Foreign Direct Investment)</p> <p>Readings provided in Module</p> | Lecture 5 Quiz (2/20) |
| 2/26, 2/28 | <p>Lecture 6: Trading Tasks, Vertical Integration, and Offshoring</p> <p>Readings provided in Module</p> | Lecture 6 Quiz (2/27) |
| 3/4 | Unit 2 Exam (L4-L6) | |
| <i>Unit 3: The Impact of Government Intervention</i> | | |
| 3/6, 3/18, 3/20 | <p>Lecture 7: 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> | <p>Lecture 7 Quiz (3/19)</p> <p>In-Class Assignment 3 (3/20)</p> |
| 3/20, 3/25, 3/27 | <p>Lecture 8: 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> | <p>Lecture 8 Quiz (3/26)</p> <p>In-Class Assignment 4 (3/27)</p> |
| 3/27, 4/1 | Lecture 9: Human Development | Lecture 9 Quiz (3/31) |

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|---|--|---|
| | <p>*Easterly, W. 2002. "Why Growth Matters?" Chapter 1 in <i>The Elusive Quest for Growth</i>, pp. 5-19.</p> <p>*North, D. 1991. "Institutions." <i>Journal of Economic Perspectives</i>, 5(1): 97-112.</p> <p>*Bauer, P. 2000. "From Subsistence to Exchange." Chapter I in <i>From Subsistence to Exchange</i>. Princeton University press, pp. 3-14.</p> | |
| 4/3 | Unit 3 Exam (L7-L9) | |
| <i>Unit 4: Exchange Rates and International Trade Flows</i> | | |
| 4/8, 4/10 | <p>Lecture 10: 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> | <p>Lecture 10 Quiz (4/9)</p> <p>In-Class Assignment 5 (4/10)</p> |
| 4/15, 4/17 | <p>Lecture 11: Exchange Rates (Part I)</p> <p>Provided in module</p> <p>Grubel, Thomas. 2012. "What Determines Exchange Rate?" Chapter 20 in <i>International Economics</i>, Fifteenth Edition, New York, NY: McGraw Hill, pp. 443-471.</p> | <p>Lecture 11 Quiz (4/16)</p> <p>In-Class Assignment 6 (4/17)</p> |
| 4/22, 4/24 | <p>Lecture 12: Exchange Rates in the Long Run</p> <p>No required readings, but supplementary material may be provided.</p> | <p>Lecture 12 Quiz (4/23)</p> <p>In-Class Assignment 7 (4/24)</p> |
| 4/29, 5/1 | Lecture 13: Exchange Rate Regimes and Currency Crises | Lecture 13 Quiz (4/30) |
| 5/1 | Wrap and Review | |
| <p>Final Exam, Wednesday, May 8, 4:00-6:45 PM (1:30 Section), Friday, May 10, 10:00 AM-12:45 PM (10:30 Section)</p> | | |

Lectures: Lectures slides will be posted. They will generally be made available two days prior to the first day noted on the outline.

Class Recordings: The use of recordings will enable you to have access to class lectures, group discussions, and so on in the event you miss a synchronous or in-person class meeting due to illness or other extenuating circumstance. Our use of such technology is governed by the Federal Educational Rights and Privacy Act (FERPA) and UTEP's acceptable-use policy. A recording of class sessions will be kept and stored by UTEP, in accordance with FERPA and UTEP policies. Your instructor will not share the recordings of your class activities outside of course participants, which include your fellow students, teaching assistants, or graduate assistants, and any guest faculty or community-based learning partners with whom we may engage during a class session. You may not share recordings outside of this course. Doing so may result in disciplinary action.

Student Conduct: It should go without saying that everyone should treat each other respectfully. However, given recent laws introduced in the state of Texas, it is necessary for me to emphasize that you be careful in how you address others in my presence if you feel that you are clearly joking. This can place me and other in a difficult situation **Anything that can be perceived as sexual assault, harassment, or anything similar I will report to the authorities. Texas Senate Bill 212 requires me to report anything suspicious. It is not up to me to determine whether or not the activity is consensual or not. My failure to report would likely lead to my termination. Please be considerate and try and avoid comments that could be misconstrued as offensive or threatening.**

Communication: During the semester it will be important for me to inform you of announcements or important changes to the course. Given the nature of this 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 and the corresponding section or meeting time in the subject line if you want me to respond in a timely manner.

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.

Getting Help: Please feel free to connect with 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.

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.

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.