This is intended to be a course in international economics for non-majors. The primary goal will be to provide non-economists with the tools necessary to understand and analyze the increasingly complex, global economy. You are expected to have taken both Microeconomics and Macroeconomics before taking this course, although a brief review of basic economics will be given in the beginning of the course, but this is intended to only refresh your memory. By the end of the semester, you should be able to better understand the "logic" behind both the economic and the political issues pertaining to international trade, protectionism, and the international macroeconomy that are presented in the popular media as well as professional journals.

The course will be divided into two sections: international trade and open-economy macroeconomics (a.k.a. international finance). An exam will be given at the end of each section covering the material presented in that section. In addition to the two exams that will account for 50% of your grade, there will be four problem sets that will account for the remaining 50% of your grade. You will also be expected to keep up current on issues in international economics to facilitate in-class discussions.

Grading Policy

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<tr>
<td>First Exam</td>
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<td>Problem Sets</td>
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MAKE-UP EXAM POLICY: Any exam missed for legitimate\(^1\) reasons will be replaced by a 7-10 page paper on a current issue in international economics that is due before the end of the course.

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\(^1\) Legitimate reasons are limited to verified medical excuses and emergencies of a family or personal nature.
COURSE OUTLINE

Introduction and Tools of Analysis
Classical (Ricardian) Model
Heckscher-Ohlin Theory
Tariffs
Nontariff Barriers
U.S. Commercial Policy

EXAM #1
Balance of Payments
Foreign-Exchange Markets
Purchasing Power Parity (PPP)
Interest Rates and Interest Parity
Alternative Monetary Standards
Open-Economy Macroeconomic Policy
International Banking

EXAM #2

Ch. 1-2
Ch. 3
Ch. 4
Ch. 6
Ch. 7
Ch. 8
June 23
Ch. 10
Ch. 11
Ch. 12
Ch. 13
Ch. 17
Ch. 19
Ch. 18
July 9