Moravian College Spring 2005  
Course Syllabus  
EC 336 International Economics

**Instructor:** Dr. James P West, Professor, Economics and Business Department, Moravian College

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**Office Hours:** MW 1:15-2:15; TTh 10:30-11:30 or by appointment

**Course Description:** The course on international economics is designed to provide a comprehensive introduction to the theory and practice of trade relations among sovereign nations as well as the development of international public and private organizations. The international financial system, exchange rate determination; balance of payments and the flow of international investment capital including the direct investment of MNCS. Classical and modern theories of trade, foreign aid, trade and development, regional integration, globalization and the role of WTO, IMF, the World Bank and the UN in promoting global integration will be covered.

**Course Objectives:** International trade issues and in particular the role of the United States in the world economy is the subject of this course. It is my desire to awaken in the student the desire to begin a systematic understanding of the history, theory, institutions, and practice of international trade. Topics include classical and modern theories of trade, free trade vs. protectionism, regional and global integration, MNC investment and so on. The course will also provide an investigation into economic regions of the world including Japan and East Asia, Latin America, Africa, European Community and the transition economies of former socialist or communist nations. Specifically students should be able to:

- Identify trends affecting the U.S. in the globalizing economy
- Understand classical as well as contemporary trade theories and the evolution of the cases for and against free trade. Specifically will address the Theory of Comparative Advantage and modifications, the Theory of Tariffs and Quotas
- Trace the historical development of international economic institutions including mercantilism, the gold standard, the IMF, World Bank, GATT and WTO.
- Understand the role of international finance including exchange rate determination, Balance of Payments and Portfolio and Foreign Direct Investment. An analysis of financial crises will also be presented.
- Regional issues, including economic integration in North America, Europe, Latin America, East Asia and the Transition economies.
**Required Texts:**

**Recommended:**
1) *The Wall Street Journal*

Additional articles will be distributed in class or put on reserve in Reeves Library

**Course Requirements, Grading and Class Policy:**
- The class format will be lecture/discussion and will actively enlist student participation in the discussion of assigned topics.
- This necessitates regular attendance and the reading of the material before class. Students with more than 3 absences (70 min. classes) will be penalized 1 grade (+ -) for each additional absence. Lateness to class is disruptive and counts as ½ absence.
- Semester exams, quizzes and country-based term paper and a final exam will be given. The three semester exams will count 20% each. The final exam will also count for 20% and the remaining 20% will be a class grade based on individual and group work assigned in class.
- Academic Honesty Policy is followed for this course. Refer to the Catalog and Student handbook for details,
- This syllabus is subject to change with notice.

**International Economics Course Outline**

**Week of:**

Jan 10  Intros, Chapter 1, the International Economy and Globalization

17  (1/17 MLK Day –no class; 1/18 last day to change classes), Continuation of Chapter 1

24  Chapter 2 , Foundations of Modern Trade Theory: Comparative Advantage

31  Chapter 3, Sources of Comparative Advantage

Feb 7  Exam 1. Chapter 4 Tariffs.

14  Chapter 5, Nontariff Barriers

21  Chapter 6, Trade Regulation and Industrial Policies

28  Review, Test 2
March 7 (Spring Break)

14 Chapter 7, Trade Policies for Developing Nations

21 Chapter 8, Regional Trading Arrangements

28 (3/28 break - no class; April 1- last day for ‘W’)

April 4 Chapter 9, International Factor Movements and Multinational Enterprises

11 Review: Exam 3

18 Chapter 10, 11 Issues in International Finance

25 Issues in International Finance Continued

May 2-7 Final Exam as scheduled by the Registrar