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| **Econ 231: Introduction to Global Trade and Finance**Professor Thomas Smith | Spring 2017Course Syllabus |

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1. **The Goals of This Course**

This course in economics will provide the fundamental tools in understanding the working of international trade, global economics and finance. Macroeconomics and global economics is, perhaps not the easiest subject to absorb and digest. As such, we will be using examples from the current state of global economics to set the stage for various models and theories regarding international trade. Although I would love to turn each student into a master of international economics, my goal for you is quite simple: learn enough about global and international economics to have a meaningful and intelligent conversation regarding this subject.

Student Outcome Goals

1. Understand both classic and modern trade theory and be able to analyze gains from trade and distributional effects of each model.
2. Be familiar with trade policies and be able to analyze the implications of the policies using economic models.
3. Apply economic analysis to current trade debates.
4. Gain understanding of the history, importance, and evolution of trade and trade policy.
5. Understand the economics of exchange rates and the inter-relation amongst exchange rates, national incomes, and monetary and fiscal policies.
6. Be familiar with the causes and consequences of current account imbalances.
7. **How This Course Will Help You**

It is difficult to imagine an industry that does not feel the impact of changes in global economic conditions. Although you might not work in a field that is directly impacted by changes in Fed policy, by movements in the international exchange rate for Euros, you will likely work in an industry that ‘plays by the rules’ of global macroeconomics. Having knowledge regarding macroeconomics will give you an advantage over your counterparts in both your personal and work environments.

1. **Expectations about Behavior**

Some of this material really sells itself: it is very fascinating. Other elements of macroeconomic study, however, are a bit more bland. As such, we have to acknowledge that we might have to push ourselves at times to learn this material. Additionally, with the modular element to this course, we also have to understand that quite a bit of the learning is self motivated and requires that we really ‘dig in’ to the material. As such, there are several expectations that we should have about our involvement in teaching and learning this material.

1. **Course Material**

**Text:** 1) Essentials of International Economics, Third Edition by Feenstra and Taylor

I teach using a combination of text and articles. At times I will teach from the book using PPTs designed for the book while at other times I will teach using a case or an element from the news. I will cover a great number of chapters quite thoroughly, but you should not expect that I will cover each page of each chapter during lecture discussions. Additionally, many of the issues will build off the material in the text. As such, you should think of the book as a resource guide. The course outline listed at the end of this syllabus shows the assign chapters out of the text that you should read to get you up to speed on the topic of each week.

1. **Course Information and Approach**
2. **How to Approach this Class**

We will be learning vocabulary and developing models as a class. Because of this, it is important to follow the discussion in class and to take thorough class notes. Each student should read the required text prior to each class to gain a better understanding of the topics we will cover during class time. It is especially important for each student to undertake all problem sets and assignments and turn them in for credit.

1. **Assignments & Grading**

|  |  |
| --- | --- |
| Class Participation | 10% |
| Problem SetsQuizzes (2) | 15%15% |
| Midterm Exam | 25% |
| Final Exam | 35% |

1. **Class Participation**

As a business school class, I anticipate a high level of interaction. Five percent of your grade includes your discussion and the points you add to the class discussion, your role in class and overall participation.

1. **Problem sets and Data Analysis**

I will assign material to read for each class (in addition, you should follow along in the syllabus and read the materials that each class will cover). If a problem set/ data analysis is assigned, it is the responsibility of each student to complete it and turn it in on time. Late assignments are not accepted.

1. **Cases**

We will be discussing a number of cases for the course. Smaller cases may be delivered in class (i.e. a quick write-up in the first 15 minutes of class) for short-term analysis. Solving and working on shorter cases during class or in groups provides valuable tools and economic management skills and allows me to assess your abilities to problem solve and engage in critical thinking.

1. **Tests**

For this course, there will be a midterm exam and a final exam as well as a few smaller quizzes. The midterm covers the first 6 chapters of the text (plus or minus) of the course. The final has some cumulative elements in that may include a few questions regarding the first portion of the text but will focus mainly on the later chapters of the text.

1. **Deliverable Format**

**Format of Deliverables**

For all individual deliverables, please include a cover page with your name, your class day and time, the date you are turning the assignment in and the name of the assignment. For group work, please include the group number and all the names of the persons in your group. For group work only one copy of the assignment needs to be turned in.

1. **Short Case**:

These involve graphing and mathematical analysis. You may draw (long-hand) any graphs that you wish to present and you may hand-write any mathematical formulas you wish to use. Leave space for multiple graphs, arrows or other symbols you wish to use that allow you to accurately and effectively tell me what is happening in your analysis. The write-up should be typed. Include all references to graphs with letters or numbers.

1. **Case Questions**:

Type all answers to case questions. Again, you are welcome to hand-draw any graphs or hand-write any mathematical formulas in your answer. Do not assume that I “know what you mean” in your analysis. Be very specific with your assumptions. Keep your analysis pointed – I don’t need a brain dump, but I do need to assess your understanding and knowledge in the area of economics.

1. **Data Analysis:**

Cut and past the pertinent portion of your analysis into a pdf or word document. Type your answers to the analysis and reference portions of the regression, etc. that correspond to your answers. You may include all or portions of your analysis (multiple runs, etc.) in an appendix. Please label the appendix and reference tables, runs, etc. as appropriate.

1. **Grading**

You must show that you understand economics and can use the models and theories of economics appropriately. Ultimately, your grade is based on the work that you produce. The allocation of letter grades to points is as follows:

 A 95% - 100%

1. 90% - 94%

 B+ 85% - 89%

B 80% - 84%

B- 75% - 79%

C+ 70% - 74%

C 65% - 69%

1. 60% - 64%

D 55% - 59%

F < 54%

1. **Academic Dishonesty**

By enrolling in this program and course, you have taken a pledge to uphold the highest standards of academic integrity. I do not anticipate that there will be any issue concerning academic dishonesty. In such cases where academic dishonesty is suspected or identified, I will follow the guidelines and procedures outlined by Emory College. The Honor Code can be found on the web: http://catalog.college.emory.edu/academic/policy/honor\_code.html

1. **Students with Disabilities:**

Students with disabilities who require accommodations for access and participation should contact the Office of Disability Services (ODS). Contact them at Phone: 404-727-6016 or TDD: 404-712-2049

1. **Course Outline**

**Tentative Outline of Material**

|  |  |  |
| --- | --- | --- |
| **Topic** | **Chapter** | **Week** |
| The Global Economy  | 1 | 1Jan 11 |
| Trade and Technology: The Ricardian Models | 2 | 2Jan 11 - 18 |
| Gains and Losses from Trade in Specific Factors Model | 3 | 3Jan 23-25 |
| Trade and Resources: The Heckscher-Ohlin Model | 4 | 4Jan 30 – Feb 1 |
| Movement of Labor and Capital between Countries**(Quiz 1)** | 5 | 5Feb 6 – 8 (quiz on Feb 8) |
| Movement of Labor and Capital between Countries | 5 | 6Feb 13 - 15 |
| Increasing Returns to Scale and Monopolistic Competition | 6 | 7Feb 20 - 22 |
| **MID-TERM EXAM** |  | 8 Feb 27 Study  **March 1 Test** |
| Import Tariff and Quota Under perfect Competition | 7 | 9March 3 - 5 |
| ***SPRING BREAK*** |  | ***March 10 - 12*** |
| Introduction to Exchange Rates and the Foreign Exchange Market | 10 | 10March 17-19 |
| Exchange Rates 1: The Monetary Approach in the Long Run | 11 | 11March 20-22 |
| Exchange Rates 2: The Asset Approach in the Short Run | 12 | 12March 27-29 |
| Exchange Rates 2: The Asset Approach in the Short Run**(Quiz 2)** | 12 | 13Aril 3-5 (quiz on 5th) |
| National and International Account: Income, Wealth and the Balance of Payments | 13 | 14April 10-12  |
| Output, Exchange Rates, and Macroeconomic Policies in the Short Run  | 14 | 15April 17-19 |
| Fixed Versus Floating; International Monetary Experience | 15 | 16April 24 |
| **Final Exam :**  |

1. **Deliverables**
2. Ricardo models of Comparative and Absolute advantage: See notes packet for questions assignment. Due: **Jan 25, 2017 (30 pts)**
3. Movement of factors of production: see notes packet for questions and assignment.

Due: **Feb 6 2017 (30 pts)**

1. QUIZ 1: **Trade** (45 minutes +/-)

Due: In class, **Feb 8, 2017 (60 pts)**

1. Midterm Exam: 1.25 hour exam covering all the elements from the first 6 chapters of the text and ancillary learning material. In-class: **March 1, 2017** **(120 pts)**
2. Tariffs and Quotas: see notes packet for questions and assignment

Due: March 19, 2017**(30 pts)**

1. Quiz 2: **Exchange Rates**

Due: In class, **April 5, 2017 (60 pts)**

1. Exchange Rates and Policies: See notes packet for questions and assignment.

Due: April 17, 2017 **(30 pts)**

1. Final Exam: **Friday, April 28, 2017 3:00- 5:30 PM (160 pts)**

For all deliverables, I pay close attention to graphs (labeling, identifying movements, showing changes, etc.) You will get points taken off for not completely labeling graphs and putting labels and movements on graphs. Please state all your assumptions and be thorough – being “more than thorough” is helpful ☺ I grade these very hard! The point totals are assumed at this point – the point totals provide a percentage – the percentages are weighted and turned into your grade.

*I reserve the right to add deliverables, quizzes, assignments, data analysis, cases, etc. where I believe it serves the class. The outline of the material is based on assumptions regarding the speed with which the class works through the material – I will adjust the timeline of these chapters if more or less time is needed to gain an understanding of the material. My goal is to teach you economics and, as such, there are situations when in-class cases and additional work is warranted and more time is needed to work on a particular model or theory. If the need for additional work is necessary, I will provide adequate time to accomplish the work and provide the necessary guidelines for the assignments.*

**NOTES**