

BA 678.A21
International Economics
Fall 2009, Session II
Mondays, 6:00-10:15 pm

Professor: Dr. Prime
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Office Hours: Mondays 3:00-6:00; Thursdays 2:00-5:00, & by appointment

Mission Statement

The Stetson School of Business and Economics promotes the advancement and integration of quality business education and practice. In support of Mercer University's mission, the School provides undergraduate and graduate programs that are designed to enable, enhance, and expand professional careers, civic responsibility and lifelong learning.

Course Description: An introduction to foreign trade theory and commercial policies. Topics may include the theory of international trade, commercial policies, balance of payments and domestic stability, offer curves and the terms of trade, and international trade strategy.

Prerequisite: BAA 601

Course Learning Objectives:

- To explain the gains from trade
- To develop theories of comparative advantage & the bases of trade
- To discuss and analyze barriers to trade
- To analyze balance of trade and exchange rate issues
- To explore macroeconomic theory and government policy in an open economy
- To introduce the basic business tools of trading

Purpose: We will address international economics using three levels of analysis. The first is to examine theories of trade and exchange rate determination, and the expected results on economic efficiency at the economy level. The second is to look at government policy options and the reasons for these policies. The third level of analysis is to consider companies' strategies given the benefits of trade in the context of changing global opportunities as well as the challenges associated with government policies.

Readings & materials:

◆ **TEXT (required):** (H & M): *International Economics*, by Steven Husted and Michael Melvin, 8th edition (Addison-Wesley, 2010), ISBN 978-0-321-59456-3.

Study Guide (optional): by Eugenio Suarez, Pearson Addison-Wesley, 2010, ISBN 978-0-321-61332-5.

◆ **A COURSE PACK** (required) provided by Xanedu (www.xanedu.com), which includes:

- Dan Chapman, *Atlanta Journal Constitution* series on Cotton, Trade and Subsidies, October 1 and 8, 2006.
- Martin Feldstein, “Resolving the Global Imbalance: The Dollar and the U.S. Saving Rate,” *Journal of Economic Perspectives*, 22.3 (summer 2008), pp.113-125.
- Christopher A. Bartlett, “Global Wine Wars: New World Challenges Old (A), Harvard Business Case 9-303-056, July 21, 2003.

◆ **OTHER** Readings that do not require copyright:

- <http://www.globalissues.org/issue/38/free-trade-and-globalization>; Watch the three Lori Wallach videos on free trade (links on this page)
- James Pethokoukis, “The Income Gap: Is Globalization to blame? Only in part,” U.S. News & World Report, Jan. 14, 2007, at <http://www.usnews.com/usnews/biztech/articles/070114/22election.htm>.
- Browse www.citizen.org and www.ifg.org; understand the TRADE Act and Global Trade Watch, and what the international forum on globalization is trying to accomplish

◆ Other articles and cases may be added if relevant throughout the course.

Learning Methods:

This course utilizes a mix of discussion-lecture, case analysis and independent research to explore and master the theory and data of international trade and exchange rates. Outside of campus meetings, as a class you will manage an blog on international issues using the Blackboard platform. Your research project will allow you to apply theory to analyze a particular industry and/or company, and to develop the skills to find relevant information when you need it.

Evaluation:

	% of final course grade	Notes
Discussion Leader	10%	Team
Exam 1	25%	Individual
Exam 2	25%	Individual
General class participation: attendance; participation & quality of class discussions; and quality of blog entries	10%	Individual
Paper (written: 20%; presentation: 10%)	30%	Team or individual

Tentative Schedule

Note: This schedule is flexible and subject to change

	Readings	Assignments/Presentations Due	Notes
Week 1: Oct.26	H & M chapters 1-3, 19; www.globalissues.org videos		Please watch the videos and read the chapters ahead of class
Week 2: Nov.2	H & M chapters 4, 5 & 6; Dan Chapman AJC article (parts Oct. 1 & 8)	Discussion Groups 1 & 2	
Week 3: Nov.9	H & M chapters 7, 8 & 9 (pp.248-54); Pethokoukis article, & readings available at www.citizen.org & www.ifg.org	Paper topic presentations; Discussion Groups 3 & 4	
Week 4: Nov.16		Exam 1	
Week 5: Nov.23	H & M chapters 11-13; Feldstein article	Discussion Group 5	
Nov.24			Last day to withdraw
Week 6: Nov.30	H & M chapters 14-16; Harvard Case: Global Wine Wars	Discussion Group 6; research status report due (written)	
Week 7: Dec.7		Exam 2; advising on paper progress; presentation preparation	
Week 8: Dec.14		Wrap up; papers due; class presentations of research results	

Grading: Grades will be weighted according to the above evaluation plan, with pluses added where merited. Grades will be assigned using the average numerical grade according to the following criteria:

Total Points	Earned Letter Grade
92 and above	A
87-91	B+
82-86	B
77-81	C+
72-76	C
60-71	D
Below 60	F

Policies:

- 1) You are required to take all exams. If you know that you must miss class on a day when an exam is scheduled, you may arrange to take the exam early or before the exams are handed back (within one week). **Note** that if you take the exam after the exam date (for any reason), there will be a 5% penalty.
- 2) Students are responsible for all assigned material, including all materials & assignments covered in class, and all materials & assignments posted on the blackboard website. Use of Blackboard is *required* in this course. Note that this course often uses electronic copies of materials.
- 3) Attendance and participation in class discussion is expected, is essential for team work, and will be graded.
- 4) Course withdrawal: The University's policy is that students withdrawing on or before the official withdrawal date as specified each term are eligible to receive a grade of "W". Students withdrawing after this date will need to be processed through the Office of the Registrar.
- 5) Incompletes may be awarded for non-academic reasons only at the instructor's discretion, and only if a small, pre-determined amount of work is needed to complete the course. A letter of understanding of the remaining work is required by the School of Business and the Office of the Registrar.
- 6) When students are expected to work together for a part of their grade, professional behavior and contributions from all are expected.

7) Grades will not be posted in Blackboard or elsewhere. You will receive your grades throughout the semester in class, and via Mercer University for the final course grade after the semester is over.

8) Academic Honesty: Mercer University expects each and every student to maintain the highest principles of academic honesty and integrity. Violations of academic honesty represent a breach of the University's expectations and will be regarded as a serious matter. Violations include, but are not limited to, cheating, plagiarism, academic negligence, or other acts of academic dishonesty. Please refer to <http://www2.mercer.edu/HonorCouncil/Mercer's+Honor+System.htm> for complete information on the Mercer Honor Code and Council.

9) Disability Support Services: Students with a documented disability should inform the instructor at the close of the first class meeting. The instructor will refer you to Richard Stilley, Assistant Dean of Campus Life (tel: 678-547-6823; office: Sheffield 212), for consultation regarding evaluation, documentation of your disability, and recommendations for accommodation, if needed. More information can be found at www.mercer.edu/stu_support/swd.htm.

10) Inclement Weather: If severe weather occurs, classes will be canceled in accordance with the Associate Provost's decision of Mercer-Atlanta. Call the Mercer weather phone for information about class cancellations—(678) 547-6111 (Atlanta) or listen to WSB 750 AM.