

**TEACHING PLAN FOR**  
**● INTERNATIONAL ECONOMICS**

**1. Basic description**

**Name of the course:** International Economics

**Academic year:** 2017-2018

**Term:** 1<sup>st</sup>

**Code:** 80126

**Degree / Course:** International Business Program

**Number of ECTS credits:** 6

**Total number of hours committed:** 150

**Teaching language:** English

**Lecturer:** Ernesto Rodríguez Carámbula

**Timetable:** Tuesday, 13:00 – 15:15

Thursday, 13:00 – 15:15

**Office Hours:** Thursday, 15:15 – 16:15

**2. Presentation of the course**

Since markets are going global, it is relevant to understand the implications of such scenario on consumers, entrepreneurs, and governments. It is the purpose of this course to cover these topics, both from a theoretical and empirical point of view. Specifically, the course is divided into two blocks. The first one focuses on international trade. The second one addresses topics related to international financial issues.

### 3. Competences to be worked in the course

General competences	Specific competences
<p>Instrumental competences</p> <p>G.I.4. Ability to tackle and resolve problems.</p> <p>Generic systemic competences</p> <p>G.S.5. Ability to learn on one's own.</p> <p>Competences for applicability</p> <p>G.A.2. Ability to use quantitative criteria and qualitative insights when taking decisions.</p> <p>G.A.5. Ability to understand an economic organization with a global perspective.</p>	<p>Disciplinary competences</p> <p>E.D.2. Recognize and asses the duties of international economic institutions and their impact on business activity.</p> <p>E.D.7 Identify the international economic institutions and evaluate their influence on economic growth, international trade and financial relations.</p> <p>E.D.12. Illustrate the primary sources of statistical economic information and managerial information available at a national and international level.</p> <p>Professional competences</p> <p>E.P.1. Ability to understand the decisions taken by economic agents and their interaction in the markets.</p> <p>E.P.2. Ability to analyze economic and market indicators when taking decisions within the organization.</p> <p>E.P.3. Ability to assess the changes that occur due to various international agreements and their effects on the economic relations of different countries and the companies' activities.</p> <p>E.P.4. Ability to relate and analyze current and historical economic events with knowledge about the economy.</p> <p>E.P.23. Ability to apply and expand upon abstract reasoning.</p> <p>E.P.24. Develop the ability to synthesize.</p>

### 4. Contents

1. The Gravity Model of World Trade
2. The Ricardian Model
3. The Standard Trade Model
4. National Income Accounting and the Balance of Payments
5. Foreign Exchange Rates Market
6. Money, Interest Rates and Exchange Rates
7. Price Levels and the Exchange Rate in the Long Run
8. Output and the Exchange Rate in the Short Run
9. The IS-LM Model and the DD-AA Model
10. Fixed Exchange Rates and Foreign Exchange Intervention

### 5. Assessment

## Regular Term Evaluation

The final grade will be determined by the weighted average of various continuous evaluation activities and a final exam.

Additional extra credit in the final grade can be achieved through participation in class discussions.

Assessment elements	Time period	Type of assessment		Assessment agent			Type of activity	Grouping		Weight (%)
		Comp	Opt	Lecturer	Self-assess	Co-assesses		Indiv	Group (#)	
1 <sup>st</sup> midterm exam	Week 5	X		X			Conceptual Application Overall understanding	X		15%
2 <sup>nd</sup> midterm exam	Week 9	X		X			Conceptual Application Overall understanding	X		15%
Problem sets	Randomly selected	X		X			Conceptual Application Overall understanding	X		10%
Final exam (a minimum grade of 4 is required)	Exam week	X		X			Conceptual Application Overall understanding	X		60%
Participation in discussions	During class	X		X			Conceptual Application Overall understanding	X		1 point

Doing the final exam is a necessary condition to receive a quantitative evaluation of the course. In case of non-attendance to the final exam, the student will receive an "N.A." grade.

Supplementary Evaluation

For those students who during the regular term have obtained a weighted final grade below 5.0 there will be a supplementary evaluation according to ESCI-UPF calendar and academic regulations. This supplementary evaluation will imply a re-take of the final exam that will account for 100% of the final grade.

## 6. Bibliography and teaching resources

- Basic bibliography

KRUGMAN, P. & OBSTFELD, M., *International Economics: Theory and Politics*.

MANKIW, N.G., *Macroeconomics*.

ABEL, BERNANKE, *Macroeconomics*.

- Teaching resources

Newsletter and newspaper articles: *The Economist*, *Financial Times*

Slides from class presentations.

## 7. Methodology

### Lectures

Lectures will cover the topics of the syllabus and will address the competences to be achieved in the course.

### Tests

Students will take a multiple-choice test after they complete each topic. These tests will not have a guessing penalty.

### Problem sets

Students will be asked to solve some problem sets. These assignments are designed for practice and to further understand the topics discussed in class. Selected exercises will be discussed in class.

Face-to-face (in the classroom)	Directed (outside the classroom)	Independent (outside the classroom)
Professor: - Lectures - Problem set solutions  Student: - Participation in discussions - Midterms	Professor: - Prepare problem sets - Prepare discussion topics  Student: - Solve problem sets	Student: - Class preparation and readings - Independent study - Exam preparation

- Final exam		
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<b>Week</b>	<b>Session</b>	<b>Date</b>	<b>In Class</b>
1	Lecture 1	19 Sep	Course Presentation & Gravity Model
	Lecture 2	21 Sep	The Ricardian Model
2	Lecture 3	26 Sep	The Standard Trade Model
	Lecture 4	28 Sep	
3	Lecture 5	3 Oct	National Income Accounting and the Balance of Payments
	Lecture 6	5 Oct	
4	Lecture 7	10 Oct	Foreign Exchange Rates Market
	Lecture 8	17 Oct	
5	Midterm 1	19 Oct	1st midterm exam (15%)
	Lecture 8	24 Oct	Exam review & questions Money, Interest Rates and Exchange Rates
6	Lecture 9	26 Oct	Money, Interest Rates and Exchange Rates
	Lecture 10	31 Oct	
7	Lecture 11	2 Nov	Price Levels and the Exchange Rate in the Long Run
	Lecture 12	7 Nov	
8	Lecture 13	9 Nov	Output and the Exchange Rate in the Short Run
	Lecture 14	14 Nov	
9	Midterm 2	16 Nov	2nd midterm exam (15%)
	Lecture 15	21 Nov	Exam review & questions The IS-LM Model and the DD-AA Model

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Lecture 16

23 Nov

Lecture 17

28 Nov

Fixed Exchange Rates and Foreign  
Exchange Intervention