

INTERNATIONAL ECONOMICS

ECONOMICS 2167A-001

Department of Economics
Western University

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Office: SSC 4048

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Office Hours: Mon 12:30-1:30pm, Wed 5–6pm

Classroom meeting time(s) & location: Mon and Wed 2:00-5:00pm, SSC 2020

Course website: <https://owl.uwo.ca/portal>

Undergraduate inquiries: 519-661-3507 SSC Room 4075 or econugrd@uwo.ca

Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in a course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note

The prerequisites for this course are Economics 1021A/B and Economics 1022A/B, or Economics 2001A/B.

The anti-requisites are Economics 2163A/B, Economics 2164A/B, Economics 3352A/B, Economics 3353A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an anti-requisite course. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objectives:

This course is divided into two parts: i) international trade and ii) international macroeconomics. In the first part, we examine why countries trade, how international trade and factor mobility affect economies within and across countries in terms of production, employment, consumption, and welfare, and how trade policies can alter the gains from trade. In the second part, we study the foreign exchange market, its main determinants, as well as macroeconomic policy under floating and fixed exchange rate regimes. We will also discuss the international flow of financial assets in the world economy.

Course Learning Outcomes:

Students will learn how differences in factor endowments can lead to gains from trade.

Students will learn the effects of factor mobility on economies.

Students will learn why trade is beneficial even when countries produce the same products.

Students will learn to evaluate the effects of trade barriers and trade liberalization.

Students will be able to discuss what affects determinants of foreign exchange rates.

Students will be able to discuss macroeconomic policies to be implemented under exchange rate regimes.

Textbook: *Essentials of International Economics*, 3rd edition, by Robert Feenstra and Alan Taylor, Worth Publishers (ISBN 9781429278515)

The textbook can be purchased at the campus bookstore. A copy of the textbook should be available in the reserve section of the Weldon library once the term begins.

I will also maintain a **course website** that will be used to post course materials as well as any details/announcements pertinent to the course. Please frequently check the website.

Grading:

Quiz (total of 4): 25%

Midterm (**Monday June 5, 2:30-4:30pm in Class**): 30%

Final (to be **scheduled by the Registrar**): 45%

The final will take place during the final exam period (June 26-27th), and the date will be set by the registrar. The exam will be a combination of true or false, multiple choice, and short answer questions.

There will be four quizzes for this course. The quizzes are given at the **beginning of class** on the following dates: **May 24 (#1: 7.5% of evaluation), May 31 (#2: 7.5%), June 14 (#3: 5%), and June 21 (#4: 5%).** No make-up for quizzes. You must make sure that you attend the classes on the dates.

Topics

Ch02. The Ricardian Model

Ch03. Specific-Factors Model

Ch04. Heckscher-Ohlin Model

Ch05. Labor and Capital Mobility

Ch06. Imperfect competition and Trade

Ch07. Import Tariffs and Quotas under Perfect Competition

Ch08. Import Tariffs and Quotas under Imperfect Competition (partially)

Ch09. Trade agreements (partially)

Ch10 Introduction to Exchange rates

Ch11. Exchange rates – the Monetary Approach

Ch12. Exchange rates – the Asset Approach

Ch13. National and International Accounts

Ch14. Open Economy Macroeconomic Policy (IS-LM-FX)

Important Dates

May 15, M Day 1 - Ch02

May 17, W Day 2 - Ch03, Ch04

May 22, M Victoria day (no class)

May 24, W Day 3 - Ch05, Ch06 (**Quiz 1**, coverage: Day1-2)

May 29, M Day 4 - Ch07, Ch08

May 31, W Day 5 - Ch09 (**Quiz 2**, coverage: Day3-4)

June 5, M Midterm Exam, 2:30-4:30pm (coverage: Day 1-5)

June 7, W Day 6 - Ch10, Ch11

June 12, M Day 7 – Ch11, Ch12

June 14, W Day 8 – Ch12 (**Quiz 3**, coverage: Day 6-7)

June 19, M Day 9 – Ch13, Ch14

June 21, W Day10 – Ch14 (**Quiz 4**, coverage: Day 8-9)

June 26-27 Final Exam (Cumulative)

The topics and schedule is tentative.

Please Note

Department Policies – Summer 2017

Remember that the University expects all students to take responsibility for their own academic programs. Also remember to check your registration to make sure you are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at <http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations” <http://westerncalendar.uwo.ca/2017/pg136.html>.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behaviour. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other economics courses or programs. The University may impose further penalties such as a notation on your official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offence Policy in the current UWO Academic Calendar at <http://westerncalendar.uwo.ca/2017/pg113.html>).

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the University’s Procedures in the current UWO Academic Calendar (<http://westerncalendar.uwo.ca/2017/pg112.html>). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and checklist is provided at: *(Use Chrome or Firefox)*

http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following add and drop deadlines:

Dates for **adding** courses in the summer:

Last day to <u>add</u> a Distance Studies Course:	Friday, May 12, 2017
Last day to <u>add</u> an Intersession Course:	Tuesday, May 16, 2017
Last day to <u>add</u> a first term half course Summer Evening:	Friday, May 12, 2017
Last day to <u>add</u> a second term half course Summer Evening:	

Dates for **dropping** Courses in the summer:

Last day to <u>drop</u> a Distance Studies Course	Monday, June 12, 2017
Last day to <u>drop</u> an Intersession Course	Monday, June 5, 2017
Last day to <u>drop</u> a first term half course Summer Evening:	
Last day to <u>drop</u> a second term half course Summer Evening:	

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

*Academic Accommodation will **not** be granted automatically on request. You **must** demonstrate by documentation that there are **compelling** medical or compassionate grounds before academic accommodation will be considered.*

If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is **not** permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within **24 hours** of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic

accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca (Social Science Room 4075). **Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.**

Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your *home* Faculty **as soon as possible (preferably within 24 hours of the test)** if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used and can be found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf. Notes stating "For Medical Reasons" are not considered sufficient.

For any other circumstances, if you are not sure what documentation to provide, ask your Academic Counselor. If your documentation is judged sufficient, the academic counselor will issue a Recommendation for a Special Examination (a single form for midterms or a triple color form for final examinations). Once you have this form, contact your instructor ASAP to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your *home* Faculty Counsellor, your instructor, and the Department Chair. Failure to follow this procedure may result in an examination grade of zero. You must ensure that the Special Examination form has been signed by the instructor and Department Chair and that the form is returned to the Academic Counseling Office for approval without delay. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

Information about the Faculty of Social Science's policies regarding academic accommodation is found on its website at <http://counselling.ssc.uwo.ca/procedures/havingproblems.asp> or in Social Science

Room 2105. Your “Academic Rights and Responsibilities” are also outlined in the current UWO Calendar at <http://westerncalendar.uwo.ca/2017/pg111.html>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If your instructor views your class attendance as unsatisfactory, you can be debarred from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

Statement on Mental Health and Support Services

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit <http://www.uwo.ca/uwocom/mentalhealth/> for more information and a complete list of resources, as well as how to obtain help.