

INTERNATIONAL ECONOMICS
ECONOMICS 2167A-001
Department of Economics
Western University

Summer 2020

General Information:

Instructor: Aldo Sandoval
Office: 4012 SSC
Phone: 226-927-3543
E-mail: asandov3@uwo.ca
Virtual office hours: Friday 10:00 am to 12:00 pm (by email or by Zoom appointment)
Class meeting time(s): Online content twice a week (Mondays and Wednesdays)
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or 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 this 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:

Prerequisites: Economics 1021A/B and Economics 1022A/B, or Economics 2001A/B.
Antirequisites: 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 any anti-requisite courses. 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 designed to cover three modules: 1) international trade, 2) trade policy and international agreements, and 3) international finance. In this first module, covering classes 1 to 4, students will study the main determinants of the global flows of goods and services, through

international trade, of people through migration, and of capital through foreign direct investment. In the second module, students will study the set of policies through which governments can influence international trade flows, under perfect and imperfect competition. Additionally, they will learn about the importance of multilateral agreements oriented to promote free trade between countries and environmental agreements. This module will cover from class 5 to class 8. The last module covers topics of international finance. In particular, topics related to exchange rate determination and exchange rate regimes, as well as the relationship between money, prices and exchange rates. This module covers from class 9 to 12.

Course Learning Outcomes:

By the end of this course, students will learn to:

- Analyze the determinants of comparative advantage and international trade in common theories of international trade.
- Assess the main predictions of the different international trade theories and compare them to real life applications.
- Evaluate the effects of tariffs, impediments to trade and policies through the lens of the different models covered in class.
- Understand the rationale behind trade and environmental agreements.
- Use models of foreign exchange determination to explain currency fluctuations.
- Understand the role of monetary policy, arbitrage and expectations in shaping the equilibrium of the foreign exchange market.

Required textbook(s):

Essentials of International Economics. Feenstra Robert and Alan Taylor. Worth Publishers (3rd edition).

You can get an e-version of the textbook here:

<https://www.vitalsource.com/en-ca/products/essentials-of-international-economics-robert-c-feenstra-v9781319029517?term=9781429278515>

or

<https://store.macmillanlearning.com/ca/product/Essentials-of-International-Economics/p/142927851X>

Format of the course:

This course is based on the textbook and will make extensive use of it. Additionally, through the OWL site I will post material, problem sets and a list of readings every week. Students are responsible to review the online content every week. You can contact me by email, preferably during the established virtual office hours. Or we can set a virtual appointment if needed.

Grading:

The course will have two online tests, a quiz and a final exam. Each test will cover a module and are not cumulative. The final exam is comprehensive. The material for all tests, quiz and final exam consists of the topics covered in the online material, any assigned readings and the material covered in the problem sets. The format will consist of multiple-choice questions about the readings, and short-answer problems requiring numeric responses. The duration of each online test and quiz will be no more than 2 hours and the final exam will be 2.5 hours.

The distribution of the marks is as follows:

Online test I	25%
Online test II	25%
Online quiz III	15%
Final	35%

Exam dates:

Online test I:	May 23 rd
Online test II:	June 13 th
Online quiz III:	June 27 th
Final exam:	June 30 th

Policy regarding missed exams:

If you miss one online test (including the quiz) due to a valid reason approved by your academic counselor or SRA, the weight of the missed test will be allocated to the next online test. If you miss online quiz III, the weight will be allocated to the Final exam. If you miss the Final Exam, I will arrange a makeup exam within one week of the Final Exam.

Course outline and schedule:

	Class number	Week
Module I: International trade		
The Ricardian model	Class 1	May 11 th to May 17 th
The Specific-Factors model	Class 2	May 11 th to May 17 th
The Heckscher-Ohlin model	Class 3	May 18 th to May 24 th
Migration of labor and capital mobility	Class 4	May 18 th to May 24 th
Module II: Trade policy and international agreements		
Imperfect competition and trade	Class 5	May 25 th to May 31 st
Import tariffs and quotas under perfect competition	Class 6	May 25 th to May 31 st
	Class 7	June 8 th to June 14 th

	Class number	Week
Import tariff and quotas under imperfect competition	Class 8	June 8 th to June 14 th
International trade agreements		
Module III: International finance		
Exchange rates and foreign exchange market	Class 9	June 15 th to June 21 st
Exchange rate determination: the monetary approach (quantity model)	Class 10	June 15 th to June 21 st
Exchange rate determination: the monetary approach (general model)	Class 11	June 22 nd to June 28 th
Exchange rate determination: the asset approach	Class 12	June 22 nd to June 28 th

Copyright:

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

Please Note
Department Policies for Summer 2020

Remember that the University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they 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://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
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 behavior. 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 an official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryId=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the Student Academic Appeals section in the current Western Academic Calendar at:
http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryId=1&SelectedCalendar=Live&ArchiveID=#Page_14
Please note the relevant deadlines.

The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A checklist is provided at:
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:

Session	Deadline to Add a Course
Distance Studies	Friday May 8, 2020
Intersession	Tuesday May 12, 2020
Summer Evening (first term)	Friday May 8, 2020
Summer Evening (second term)	Friday June 26, 2020

Session	Deadline to Drop a Course
Distance Studies	Monday June 15, 2020
Intersession	Monday June 8, 2020
Summer Evening (first term)	Monday June 8, 2020
Summer Evening (second term)	Monday July 20, 2020

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policy on Tests, Final Exams and on Missed Academic Responsibilities

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Students must book travel arrangements AFTER final exam dates have been posted; travel is not an acceptable excuse for absence from a final exam.

Students who are temporarily unable to meet academic requirements due to extenuating circumstances can follow Western University procedures to request academic consideration through the following routes:

- a) Submit a Self-Reported Absence form if the conditions for submission are met (e.g., only for exams or assessments worth 30% or less of the course mark; not applicable to final exams; maximum one self-reported absence per summer term; see [link](#) for full list of conditions and info).

If the conditions for submission of a Self-Reported Absence form are not met, then:

- b) For medical absences, submit a Student Medical Certificate (SMC) signed by a licensed medical or mental health practitioner along with a request for academic consideration to Academic Counselling in the student's home Faculty (see [link](#) for full info) ; or
- c) For non-medical absences (e.g., religious or compassionate), submit appropriate documentation to Academic Counselling in the student's home Faculty (see [link](#) for full info).

It is strongly recommended that students notify their instructors as soon as possible. University policy is that students **must** communicate with their instructors no later than **24 hours** after the end of the period covered by either the self-reported absence or SMC, or immediately upon their return following a documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment to meet (virtually) with their instructor as soon as possible. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca.

Note: Academic consideration is not normally intended for long-term, recurring absences, an existing disability, or high levels of stress related to academic performance. In such cases, students should consult their academic counsellor. See [link](#) for full information. In all cases, if the documentation submitted to request academic consideration is not acceptable, students will receive a grade of zero for the missed test, exam, or assignment.

For full information about Western University’s policies and procedures for student absences and requests for academic consideration, please visit this [link](#).

Policies Regarding Academic Accommodation

The Faculty of Social Science’s policies regarding academic accommodation is found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.

“Academic Rights and Responsibilities” are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. 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 the instructor deems a student’s class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

Statement on Mental Health and Support Services

Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.