



LINCOLN UNIVERSITY

BA 310 – International Economics

Fall Semester 2011 Course Syllabus

3 units = 45 lecture hours, Thursday 9 a.m. - 11:45 a.m.

Prof. Elena Givental
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Office Hours: Th. 12:00 - 1:00 p.m. or by appt.
Location: TBA

Course Description:

The course is intended to deal with the fundamental theories of international relations, global interdependence, and the modern nation-state system. It covers theories of direct foreign investments, behavior of MNCs, country risk analysis, money and finances, investment restrictions and incentives, and prospects for international investment and development.

This course combines elements of international business, macro-and microeconomics, and business strategy to analyze global and regional development trends. The course examines various mechanisms and forces that have an impact on development in the globalized world. It will touch upon the ways in which economic activity is distributed across space, the reasons for this distribution, and the trends in continuous processes of global change.

The course considers the reciprocal relationship between the economic activities and earth surface features, population, human production, consumption, and distribution.

Finally, it will analyze how various nations and regions of the world can achieve economic growth and sustainable development. Much emphasis will be made on the economic challenges of the 21st century including globalization, free trade and isolationism, corporate governance, immigration and outsourcing, energy production and consumption, renewable energy sources and policies, regional dimensions of development and elimination of poverty.

Learning Objectives:

1. to understand the conceptual framework of contemporary economic science
2. to analyze evolving development trends in the world using graphs, diagrams, statistical data, and case studies
3. to develop an educated global vision of the world which can assist in making practical managerial decisions

Required Textbook:

International Economics (2009), 3rd Edition, by W. Charles Sawyer and Richard L. Sprinkle (published by Pearson Education)

ISBN: 978-0-13-605469-6

Available from Amazon.com in hardcover (used) in a \$75-\$90 range, also paperback new for \$70-\$80.

Additional Resource (optional):

The World Economy, 6th Edition (2012) by Frederick P. Stutz and Barney Warf (published by Prentice Hall)

ISBN: 978-0-321-72259-8

Grading: 290 points total

Ten quizzes	50 points	Multiple choice questions
In-class midterm	50 points	Multiple choice, short answers
Final in-class exam	70 points	Multiple choice, short answers, essay
Research Paper	70 points	Selected topic of your choice
Group Project	30 points	Details will be discussed in class
Class participation*	20 points	
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290 points		

* **Class participation** means asking appropriate questions and answering questions in class, contributing to classroom discussions and activities. **Lecture attendance is required.**

Grading Policy:

		96-100%	A	90-95%	A-
88-89%	B+	82-87%	B	80-81%	B-
78-79%	C+	72-77%	C	70-71%	C-
66-69%	D+	60-65%	D	less than 60%	F

Methods of Instruction: Class meetings will combine lectures, discussions, individual and group activities, case studies, and written tests. All lectures will be accompanied by power-point presentations. Group study and collaborations are encouraged; however, all assignments are graded individually. You will be provided with lecture notes posted in the class folder accessible from the computer lab. Below is the description of the exams and assignments you will have in this class.

Midterm (50 points)

Midterm exam will cover covers the first half of the course. Exam questions are multiple-choice, open-ended questions, and short essays based on lecture material and readings from your textbook.

Final Exam (70 points)

The final in-class exam will be cumulative, covering new material as well as the most important economic concepts and global trends studied throughout the entire course. Exam questions will be multiple-choice, pen-ended questions, and short essays based on lecture material and readings from your textbook.

Research Paper (5-6 pages, 70 points)

The research paper involves a comparative analysis of the elements of economic structure or economic activity of your choice (economic resources, economic sectors or subsectors, agents of economy, international trade, etc.) in a particular country or countries. The research

should be original and NOT a copy of your business strategy class paper. You **may not** use a single company as a topic of your research paper. All secondary information sources, both published and electronic, should be cited properly with a reference list attached.

Due November 10

Group Project Presentations, November 17.

The topics for the presentations, as well as the size of each group and the presentation format will be determined later and discussed in class.

Class Rules:

No cell phone calls or text messaging in class

Class begins promptly at 9 a.m.

Late arrivals (over 10 minutes) will be reported as class absences

Every class (except exam or presentation days) will start with a short quiz

There will be no make-up quizzes or oral presentation

Make-up midterm or final exam can be arranged only for special circumstance reasons

A deduction of 5 points will be made for late assignments

Plagiarism* or cheating will result in Zero grade for that test or assignment

***Plagiarism** means using the ideas, sentences, paragraphs, or the whole text of another person without proper acknowledgement or reference

TOPICS, READINGS, TEST SCHEDULE AND DUE DATES

Aug. 25 #1 Introduction to The World Economy

The basics: what is the world economy? Imports and exports of goods in the world economy. Capital flows in the world economy. World development problems: environmental constraints, disparities in wealth. Political economies: capitalist economy, command economy, traditional economy. Globalization concept. Globalization of culture, consumption, services, investment.

READ: *Textbook Chapter 1. Lecture notes.*

Sep. 1 #2 Dynamics of Economic Space and World Population

The emergence of a world economic system: feudalism, wealth accumulation and trade. The emergence and nature of capitalism. International trade versus interregional trade. The Industrial Revolution and industrialization, growth of global markets and international trade, colonialism, and transplantation of the nation-state. Global population distribution and density. Population growth and factors affecting population growth and distribution. Migration and its consequences. Patterns of migration.

READ: *Textbook Chapter 2. Lecture notes.*

Sep. 8 #3. Factor Endowments, Firm Strategies, MNCs and States

Factors determining location decisions of firms: labor, land, capital, skills, technological innovation. The Factor-Proportions Theory. The role of state in a globalizing economy. Technology: the engine of change. Multinational Corporations: the primary "movers and shapers" of global economy. Relationship between MNCs and states.

READ: *Textbook Chapters 4, 6. Lecture notes.*

Sep. 15 # 4 Nature in Economy: Resource Extraction, Agriculture

Types of resources and their limits. Renewable and nonrenewable resources. Nonrenewable mineral resources: location and projected reserves. Energy: production and consumption, energy options, energy conservation. Natural resources and geopolitics. Incorporating nature: commodification, ownership, and marketization. Increasing food production and the environmental impact of agriculture.

READ: *Lecture notes.*

Sep. 22 #5 Secondary and Tertiary Economic Activities:
Manufacturing and Services

The nature of manufacturing and global shifts in different sectors. Flexible manufacturing. Regional restructuring in Europe, North America and East Asia. Forces driving the growth of services. Producer and consumer services. Demand for health service and

education. Services productivity and labor market characteristics. Production, consumption, and trade. Trade under increasing opportunity costs. Intra-industry versus inter-industry trade.
READ: *Textbook Chapters 3, 5. Lecture notes.*

Sep. 29 # 6 Urban Economies. Transportation and Communications

The rise of the modern city. Suburbanization and inner-city decline, gentrification. Global cities. Transportation infrastructure in historical perspective. Concepts of time- and space conversion. Linking producers and consumers: the commodity chain approach. Transnational production networks. Modern telecommunications systems and the Internet. E-commerce: a new logistics revolution.
READ: *Lecture notes.*

Oct. 6 MIDTERM EXAM

Midterm, chapters 1-6, lecture notes 1-6.

Oct. 13 # 7 International Trade: Overview.

Overview of international trade. Theories of international trade. Comparative advantage and competitive advantage of nations. International trade versus interregional trade. Intra-industry versus inter-industry trade.
READ: *Review Textbook Chapters 2-6. Lecture notes.*

Oct. 20 # 8 International Trade Policies and Organizations

Barriers to international trade and investment and reduction of trade barriers: World Trade Organization. Tariffs: welfare effects of trade and arguments for tariffs. Non-tariff distortions of trade: quotas. Economic effects of quotas. Other non-tariff distortions.
READ: *Textbook Chapters 7, 8. Lecture notes.*

Oct. 27 # 9 International Trade Policies, Regional Economic Arrangements

The political economy of protectionism. GATT and WTO. Degrees of economic integration. Regional economic arrangements: the European Union, NAFTA, OPEC. Emerging markets. World patterns of trade: major trade commodity groups. Case studies of Germany, Japan, Brazil, China, India, and Russia.

READ: *Textbook Chapters 9, 10. Lecture notes.*

Research paper proposals due October 27

Nov. 3 # 10 International Transactions and Financial Markets

International financial system: internationalization of currencies, banking, and capital markets. Financing international trade. Capital flows and foreign direct investments. The foreign exchange market: paying for imports and exports. National income accounting: the measurement of GDP. GDP and the trade balance.

READ: *Textbook Chapters 12, 13. Lecture notes.*

Group project proposals due November 3

Nov. 10 # 11 Exchange Rates. International Monetary Arrangements

Money: supply and demand. Exchange rates and their determinants: demand and supply factors. International monetary arrangements: the Breton Woods system and the International Monetary Fund, the post-Breton Wood era. Floating and fixed exchange rates.

READ: *Textbook Chapters 14, 15, 20. Lecture notes.*

Research paper due November 10

Nov. 17 Group Project Presentations

Fall Recess November 22 - 26

Dec. 1 # 12 International Trade and Economic Growth

Economic development indicators: GDP per capita, labor force structure, educational level, health, consumer goods produced, HDI. Theories of international economic development. Problems of under-development and growth strategies with respect to

international trade. Sustainable economic growth in newly industrialized economies; poverty reduction in the least developed countries.

Course Review.

READ: *Textbook Chapters 11, 21. Lecture notes.*

Thursday, December 8

FINAL IN-CLASS EXAM

Updated August 16, 2011