

Drake University
International Economics

Econ 130
CRN: 1350
MW 9:30-11:45am
Fall 2013

Liping Zheng
359 Aliber Hall, 271-4160,
liping.zheng@drake.edu
Office Hours: TR 10:00am-noon
or by appointment

1.0 Course Objectives

The objectives of this course are to help you gain tools that will enable you to systematically think about issues in international economics. The course will cover two main areas in international economics: international trade and international finance.

International trade will cover: development of trade among nations; theories of trade; policies, factor endowments, trends, and barriers to trade.

International finance will cover: determination of exchange rates and open economy macroeconomics.

Primary Learning Goals:

1. "Students will gain factual knowledge (terminology, classifications, methods, trends)."
2. "Students will learn fundamental principles, generalizations, or theories."

Additional Learning Goal:

3. "Students will learn to apply course material to improve thinking, problem solving and decisions." (from IDEA)

2.0 Reading Materials

Required:

- a. Carbaugh, Robert. J., *International Economics* (14th Edition, South-Western.)
- b. Other reading materials distributed by the instructor.

3.0 Prerequisite

- a. Principles of Macroeconomics (Econ 001) , Principles of Microeconomics (Econ 002) and College Algebra (Math 020) or higher;
- b. Curiosity

4.0 Course Requirements

4.1 Exams (56%)

Students will take three examinations over the term. Makeup exams are given, but only under the following conditions:

- 1) The student has a legitimate excuse for missing the exam and can substantiate sufficiently any claim; and
- 2) If the excuse is poor health, the student *must* present written confirmation of such poor health from the health center or a certified doctor.
- 3) The student contacts me before 10 a.m. the morning of the exam. Otherwise, the student will not have an opportunity to make up the exam and will receive no credit for the missed exam.

4.2 Research Paper (15%)

A group of no more than three people can be formed to finish the project. The research paper allows you to develop in-depth knowledge of a particular aspect of international economics. The paper can be an individual or a team effort. The approximate length of the paper should be 8 - 10 pages for individual efforts, more for group projects. A bibliography or reference section should be included.

4.3 Reading quizzes (10%)

Students will also be given blackboard-based reading quizzes for each chapter in the book *before* the chapter is covered in class. Each quiz must be submitted prior to the deadline set by the instructor. Students should feel free to use their book or lecture notes when taking a reading quiz. *Unlimited* attempts are allowed and *most recent attempt* will be recorded.

Note: There are NO makeup quizzes.

4.4 Short Assignments (10%)

There will be two short written assignments. One will require you to gather and analyze data from some of the basic sources of international economic data. The other will require you to take a position on an international economic issue and present arguments in support of your position. Assignments must be turned in at the beginning of class on the specified due date. Assignments turned in on or before the following class will receive no more than 50% credit. Assignments that are late by more than 1 class period cannot be accepted.

4.5 Class Participation (7%)

The rationale for including class participation points in your grade is to encourage you to come to class prepared to discuss the day's lessons in a knowledgeable way, to give voice to what you know and do not know, and to help you learn from your peers as they participate with you. Thus, you will earn credit for participating, irrespective of whether your answer is correct or your question is basic or advanced.

You can earn class participation points by:

- Showing up in class (1 point)
- Showing up during office hours (1 point)
- Participating in on-line surveys (2 points)

For example:

- Fuzzy topics each week: surveys will be posted at 5pm on Wednesdays and will be available until 11am on Fridays.
- Fuzzy topics for exams
- Raising a question in class (1 point)
- Answering a question in class (1 point)
- Being a volunteer in class (1 point)
- Participating in group activities (1 point)
- Other opportunities

If your total point for class participation is **60 and above**, you will get the full class participation credit. If your point is below 60, you can use the formula to calculate your credit: $(\text{your points}/60) \times 7\%$.

Note: If you have perfect attendance for the semester, you will earn an extra 1% on your final grade; if you only miss one class for the rest of the semester, you will earn an extra 0.5% on your final grade.

4.6 Review Quiz (2%)

At the beginning of the semester we will review some basic tools of economic analysis that are used in international economics. The quiz is scheduled on **September 4th**.

5.0 Grading

Grades will be computed as follows:

Best Exam	20%	<i>NOTE: You may contest your grade during the 7-day period immediately after your assignment or exam is returned to you, or in the case of Reading Quizzes, during the 7-day period immediately after your grade is posted on Blackboard. Once the relevant 7-day period has expired, you may not contest your grade for an assignment.</i>
Exam	18%	
Exam	18%	
Research Paper	15%	
Reading Quizzes	10%	
Short Assignments	10%	
Class Participation	7%	
Review Quiz	2%	
TOTAL	100%	

EXAM SCHEDULE:

Exam 1: Monday, September 30th
Exam 2: Monday, November 4th
Final Exam: TO BE ANNOUNCED

Course grade is calculated using the following formula:

$$\text{SCORE} = 20 \times B + 36 \times E + 10 \times R + 10 \times A + 7 \times C + 15 \times P + 2 \times Q$$

where B = percentage of best exam, E = average of percentages of the other two exams, R = average of percentages of reading quizzes, A = average of percentages of the two short assignments, C = percentage of class participation, P = percentage of the research paper, and Q = percentage of the review quiz.

Letter grade is assigned based on the following scale:

90-100	A
80-89	B
70-79	C
60-69	D
<60	F

6.0 Class Policies

Class attendance and participation is expected. Arriving late or leaving early is disruptive to the class and is very inconsiderate to both me and your fellow classmates; therefore, such behavior will not be tolerated. If a special circumstance dictates that you must leave early, please check with me before class. If you arrive late, enter classroom quietly and pick up handouts after class.

Turn off your cell phone ringers when you are in class.

Use of laptop computers and handheld electronic devices (i.e. phones, PDAs, iPods, etc) is only permitted in class to assist learning. Any use of any device that leads to distraction from the learning for other students will not be tolerated. Inappropriate use may include viewing online content not related to the class (including social networking sites), text messaging, answering phone calls, viewing video, and listening to music on such devices.

Failure to observe these rules may result in dismissal from the course.

Students absent from classes are responsible for all the materials presented, making arrangements to submit assignments due, and announcements made in class.

7.0 Tentative Course Schedule*

Review:

Production Possibility Frontier (PPF) and opportunity cost
Consumer surplus and producer surplus
Perfect competition
Monopoly

Introduction: The International Economy and Globalization (Ch.1)

Part 1: International Trade Topics

Why Countries Trade (Ch. 2)
Sources of Comparative Advantage (Ch.3)
Tariffs (Ch. 4)
Non-tariff Trade Barriers (Ch. 5)
Trade Policies (Ch. 6)
Regional Trading Arrangements (Ch. 8)

Part 2: International Finance Topics

The Balance of Payments (Ch. 10)
Foreign Exchange and Exchange-Rate Determination (Chs. 11-12)
Exchange Rate Adjustments and Exchange Rate Systems (Chs 13-15)

**This schedule provides a tentative outline for the course; all material may not be covered depending on time and the teacher's discretion; deviations may occur and will be communicated to you in class.*

8.0 Legal Disclaimers and Other Information

Electronic mail: Every student *must* have a Drake email account. Course announcements will occasionally be sent by electronic mail, so all students should check their email accounts regularly. An archive of announcements will be posted on Blackboard.

Academic Misconduct Statement:

ACADEMIC INTEGRITY (ACADEMIC MISCONDUCT)

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, Drake University expects that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute Academic Misconduct.

Drake University's Code of Student Conduct (Section IV of Student Handbook) defines academic misconduct as:

Academic Dishonesty: Cheating and Plagiarism A student who cheats or plagiarizes commits an offense against the entire University community. Cheating is defined as an act or attempted act of giving or obtaining aid and/or information by illicit means in

meeting any academic requirements, including examinations. Plagiarism is defined as misrepresenting other's ideas, phrases or discourse as one's own.

College of Business and Public Administration (CBPA) define academic dishonesty as:

Academic dishonesty is an encompassing term involving any activity that seeks to gain credit for work one has not done or to deliberately damage or destroy the work of others. Plagiarism is defined as misrepresenting another's ideas, phrases, discourse or works as one's own. Cheating is defined as the act, or attempted act, of giving or obtaining aid and/or information by illicit means in meeting any academic requirements, including examinations.

Ignorance of the University's Code of Student Conduct and CBPA's behavior rule is never considered an excuse for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

The penalty for engaging in any of these forms of dishonesty in relation to this class at minimum will be a grade of "0" on the assignment and may result in failure in the course. See the CPBA Handbook or the Drake Student Handbook for further information.

This syllabus and other class materials are available in alternative formats upon request. Students with disabilities are responsible for making their need known to the instructor and seeking assistance in a timely manner. Accommodations are coordinated through Student Disability Services (first floor Old Main). For more information, please contact Michelle Laughlin, Director of Student Disability Service at 271-1835 or michelle.laughlin@drake.edu.