



APPLIES TO ACADEMIC YEAR 2013/2014

EXC 3603 International Economics

Programme

Bachelor of Business Administration (3. year), Exchange Program

Responsible for the course

Per Botolf Maurseth

Department

Department of Economics

Term

According to study plan

ECTS Credits

7,5

Language of instruction

English

Introduction

The course gives the students an introduction to international economics. Among the topics are gains from and problems with international trade and economic globalization. The course gives an overview of main theories of international trade and international investments. The course also covers trade policy.

Learning outcome

The course introduces the students to the main concepts of international economics. Among the topics covered are the gains and problems of globalization, theories of comparative advantages, international trade and increasing returns, international factor movements and trade policy. The course introduces the students to economic theories in international economics as well as empirical regularities. It also places an emphasis on international trade policy issues. Do tariffs support or retard economic development? Do export subsidies harm other countries? Who gains and who loses from economic integration? Relationships between poor and rich countries are also discussed.

Acquired knowledge

During the course students will:

- Achieve an understanding of sources of comparative advantages and of increasing returns as a reason for international trade.
- Acquire knowledge of effects of international trade for the exporting and the importing countries and for the internal income distributions in the integrating countries.
- Acquire knowledge about international capital movements and labour migration and their relationships with international trade.

Acquired skills

After completing the course students will:

- Be able to handle analytically the main theories in international trade.
- Be able to discuss and analyse main topics and issues in the debates on globalization.
- Have skills to understand gains and losses from international integration and how these influence the internal income distributions in the trading countries.
- Be able to follow public debates on globalisation, international trade and economic integration.

Reflection

Students will gain insights into main dilemmas about trade policies, and will be able to reflect on why international trade is both a source of welfare and of conflict. This special field gives rich opportunities for reflecting on the debates related to the importance of international trade and economic integration.

Prerequisites

Intermediate microeconomics and macroeconomics

Compulsory reading

Books:

Krugman, Paul R., Maurice. Obstfeld and Marc J. Melitz. 2012. International economics : theory & policy. 9th ed. Addison Wesley. Ch. 1-11

Articles:

Mundell, Robert A. 1957. International Trade and Factor Mobility. American Economic Review. 47. 321-334

Recommended reading**Course outline**

- Trade with goods and services
- International trade theory
- Imperfect competition and economies of scale
- Income effects related to trade
- International factor movements
- Trade policy

Computer-based tools

Internet-based assignments and cases may be used.

Learning process and workload

The course will be conducted as a combination of lectures and exercise solutions.

Detailed information about the exercises will be given when course starts.

Recommended workload in hours

Activity	Hours
Participation in lectures	36
Participation in assignment reviews by lecturer	7
Work on mandatory exercises (approx. 1,5 hour per exercise)	8
Readings and self study	146
Examination	3
Total recommended use of time	200

Use of hours

36 hours - Lectures

7 hours - Discussions about exercises

2 hours - Administrative learning process

45 hours in total

Examination

A 3 hour individual written exam concludes the course.

Examination code(s)

EXC 36031 - Written examination, counts 100% towards the final grade in EXC xx19 International Economics, 7,5 credits.

Examination support materials

A BI defined calculator TEXAS INSTRUMENTS BA II Plus™ and a bilingual dictionary are allowed

Examination support materials at written examinations are specified under exam information in our web-based Student Handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

A re-sit examination is offered the next time course is taught.

Additional information