



Syllabus

Term: 2025/26/2 **Subject name:** International Economics **Subject code:** B19GMK12E

Unit (Unit code) Department of Economics and Econometrics (KÖI)

Lecturer responsible for the course: Dr. SZABÓ Norbert

Requirement: Exam

Classes per week : 2/2/0/0

Classes per term:

Purpose of education:

The aim of the module

The module aims to introduce the most important areas of international economics in a comprehensive perspective. The course provides introduction to the theory of trade and trade policy as well as the policy practices. It is also an important aim to analyze the macroeconomic theories when international economic relationships are considered as an inherent part of these models. The second half of the module is devoted to issues of international finance.

Learning outcomes

Knowledge:

On completion of this module the successful student

- understands the most important driving forces behind international trade;
- knows the main tools of trade policy, their positive and negative effects on welfare;
- understands the fundamental mechanisms behind exchange rates and the balance of payments;
- understands the role of monetary policy in an open economy;
- knows the fundamental theories of international financial integration;

Skills:

This module will call for the successful student to

- identify possible sources of gains from international trade;
- critically evaluate decisions according to trade policy;
- interpret the debates on trade policy;
- analyze the most important relationships in the balance of payments
- realize the role of monetary policy in an international environment.



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Contents:

1. Orientation and introduction. The topics of international economics. World trade and the gravity model.
2. Labor productivity, factor endowments and comparative advantage. Specific factors and income distribution.
3. Resources and trade. The standard model of trade.
4. External economies of scale, firms in the global economy.
5. Instruments of trade policy. The political economy of trade policy.
6. Trade policy in developing countries, controversies in trade policy.
7. Midterm exam
8. National income accounting and the balance of payments. Exchange rates and the foreign exchange market.
9. Money, interest rates and exchange rates. Price levels and the exchange rate in the long run.
10. Output and exchange rate in the short run. Fixed exchange rates and foreign exchange intervention
11. International monetary systems and optimum currency areas
12. Financial globalization and developing countries.

System of examing and valuation:

The evaluation is based on semester work in class and written exams during the semester:

- Classwork (10 group tasks) - 30 points, 25% of the final grade
- Topic quizzes (10 multiple choice questions at the end of weekly sessions) - 30 points, 25% of the final grade
- Two term papers (one midterm from the first half of the topics, one at the end of the semester from the second half of the topics (60 minutes paper with short answer questions) - 2x30 points, 50% of the final grade

In case of an exam course students have to write a comprehensive exam with short answer questions and case analysis.

Bibliography:

Required material:

- Krugman, P.R., Obstfeld, M.: International Economics. Theory & Practice (seventh or newer edition)

Optional material:

- Some reading material reflecting on actual problems in the field of international economics (available through Neptun)



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