



INTERNATIONAL ECONOMICS

General data

Course code:	B19GMK12E
ECTS credits:	7
Type of the course:	A1
Semester:	Spring, semester 4
Course restrictions:	Mircoeconomics, Macroeconomics
Course leader (with availabilities):	Norbert Szabó, szabon@ktk.pte.hu +36 72 501 599/ 23382
Further lecturer(s) (with availabilities):	-

1. Description and aims

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.

2. Intended Learning Outcomes (ILOs)

Upon the successful completion of this course, students should be able to:

1. develop critical understanding of the competing concepts of international trade and income distribution (PILO1)
2. critically evaluate the possible aims and tools of trade policy (PILO1)
3. explain possible effects of trade policies on income distribution and economic welfare (PILO1, PILO4,PILO8)
4. contrast the role of the foreign exchange market and the main factors in relation to exchange rate movements (PILO1, PILO4)
5. positively contribute to group (team) work in case studies related to international economics (PILO2, PILO5, PILO8)
6. effectively formulate their ideas verbally and to conduct effective small-scale research (library use, information elicitation and handling, etc.) (PILO2, PILO3, PILO4, PILO8)

(The remarks in brackets express each CILO's connection to the Program Intended Learning Outcomes (PILOs).)

3. Content, schedule

1. Orientation and introduction. The topics of international economics. World trade and the gravity model.
2. Labour productivity and comparative advantage. Specific factors and income distribution.
3. Resources and trade. The standard trade model.



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. National income accounting and the balance of payments.
8. Exchange rates and the foreign exchange market.
9. Money, interest rates and the exchange rates.
10. Price levels and the exchange rate in the long run.
11. Output and exchange rates in the short run.
12. Fixed exchange rates and foreign exchange intervention.
13. International monetary systems, optimum currency areas.
14. Financial globalization and developing countries.

4. Learning and teaching strategy, methodology

Principal teaching methodologies:

The joint application of theoretical and practical teaching methods should enable students to understand the main economic forces behind international trade and the macroeconomic relationships in an open economy. Students are required to follow the study material throughout the course. Active participation in class discussions and group works as well as completing weekly quizzes require them to come to classes prepared by pre-reading the relevant parts of the textbook for the sessions. In the beginning of each lecture a case study illuminates the practical relevance of the topic and the discussion focuses on the most important aspects. Students are encouraged to raise their questions which drive the lectures to those parts of the topic which are less clear for them. (LOs 1,4,8)

Group work in the seminars drive students to apply their knowledge to real or imaginary situations of international trade policies. Weekly sessions are closed with a short quiz in order to make sure that students indeed follow the study material. (LOs 2,3,4,5,8)

5. Assessment

Formative assessment elements:

Short quizzes are written at the beginning of every lecture making it sure that students read the respective materials and have a solid understanding of the basic concepts. These are multiple choice questions which test if students are aware of the basic concepts of the given topic and able to provide an intuitive interpretation of these concepts. (LOs 1, 2, 3, 4,)

Summative assessment elements:

Summative assessment of the course is split into four parts and consists of quizzes, groupworks and two term papers.

At the end of each lecture complex multi-choice questions are raised to test whether paid attention, raised questions and understood the most important points of each topic. (LOs, 1,2,3,4).

In the seminars group works are held weekly. The objective of these is to drive students to apply their knowledge from the given topic in relation to a specific case/problem derived from real life examples on the one hand and develop their skills in model-based thinking through calculation exercises on the other. (LOs 3,4,5,8)



The mid-term exam focuses on the first half of the topics (trade theory and trade policy), while the second is written at the end of the semester and focuses on the second half of the topics (international finance). Both term papers are consist of essay-type questions which student have to answer by providing a short (5-10 sentences) comprehensive answers. These questions focus on how the students can apply the learnt concepts in some cases and also how they can match different aspects/parts of the learning material by providing a complex answer. (LOs 1, 2, 3, 4, 5, 8)

Individual Assessment	80%	Group Assessment	20%
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Name of the element	Weight	Type	Details	Retake opportunity	Req.*	Related CILOs
Group work	20%	Groupwork/ written/ coursework	Case studies and small teamworks regarding collecting international economic data and application of theoretical knowledge	No	No	2,3,4,5,8
Quiz	20%	Individual/ written/ coursework	Quizzes test whether students read the respective materials and have a solid understanding of the basic concepts	No	No	1,2,3,4
Midterm exam	30%	Individual/ written/exam	Open-book exam Essay-type questions	One retake opportunity in the exam period	No	1,2,3,4,8
Midterm exam	30%	Individual/ written/exam	Open-book exam Essay-type questions	One retake opportunity in the exam period	No	1,2,3,4,8

* Req.: Completion of the element is required to pass the course, irrespective of the performance in other elements.

6. Learning materials

- Essential

Krugman, P.R., Obstfeld, M., Melitz, M.J. (2018): International Economics. Theory & Practice (ninth edition or later edition).

- Recommended

Selected short essays on actual topics, news reflecting actual developments in international trade and finance

7. Further information

International aspects embedded with the course
All the topics have international aspects.
Ethics, Responsibility & Sustainability (ERS) aspects embedded with the course
The issue of income distribution is explicitly articulated in the curriculum (see LO1 and LO3), the course intensively discusses the relationship between trade and income distribution, policy concerns and economic mechanism related to it. Also, welfare and environmental issues are implicit in all topics.
Connections to the world of practice of the course
Not relevant to this course.