International Economics

Class code: ECON-UA 9238 - 001

Instructor Details
Dr Trino Niguez
Office hours: Tuesday 17:00-18:00 (by appointment) Room 203

Class Details
Fall 2013
Monday 14:00-17:00
Location to be confirmed.

Prerequisites
Basic calculus and microeconomic knowledge. In particular, maximisation of convex functions, market supply and demand concepts, consumers; preferences and firms’ production possibility sets. Basic knowledge of macroeconomics is also helpful although not necessary, especially concepts related to money supply, exchange rates and interest rates.

Class Description
The course develops a systematic understanding of the key areas of international economics theory namely, analysis of trade (comparative advantage, factor endowments, etc.), analysis of the welfare costs of trade barriers, the discussion of politics of protectionism and trade policy, purchasing power parity, interest rate parity and exchange rate relationships, monetary and fiscal policy under fixed and flexible exchange rates and the significance of different exchange rate regimes.

The teaching of the course is organised in weekly lectures (75 minutes) in which the theory of the topic is presented. Lectures are followed by seminars (75 minutes) in which the theory will be applied to practical exercises and case studies.

Desired Outcomes
On successfully completing this course students will be able to:
1. critically assess the main institutions and functions of international economic organizations.
2. critically evaluate the interrelationship between the three main areas of international economic activity: trade, finance and investment and the rationale of economic integration.
3. critically assess the nature and functions of the international monetary system.
4. critically assess international businesses, formulate global strategies and undertake foreign investment.
5. critically evaluate how multinational firms respond to international economic issues. provide solutions by integrating relevant theory with empirical evidence.

Assessment Components
The assessment methods and weightings for this course consist of:
1. One mid-term 1:15 hours exam worth 25% of the final mark (week 7).
2. One final 2:30 hours exam worth 45% of the final mark (week 15).
3. A coursework worth 30% of the total mark. The assignment is based on the theory and applications taught in class. It consists of: a) A report (2000-2500 words) (20% of the final mark) in which the students should set the foundations for investment in a chosen region in the world
economy, and b) a presentation (10% of the final mark). In weeks 13 and 14 the class slot will be used for group presentations. Each group of students (normally a group of two) will give a presentation of their chosen topic followed by a question and answer session involving the whole class. This should take approximately 20 minutes.

Failure to submit or fulfil any required course component results in failure of the class.

**Assessment Expectations**

**Grade A:** Excellent understanding of theory and evidence of clear thought in topics related to international economics. Students in this range will also have the capability to elaborate their own thinking and opinions about the methods covered in the module.

**Grade B:** Very good understanding of the theory and of the different possible applications of the models studied to real life problems.

**Grade C:** Good command of the material covered without complete understanding of the relations between different theories and of their applications to real life issues related to the topic.

**Grade D:** Evidence of effort and of some understanding of the topic. Students in this range will typically show a mechanical understanding of the material without the capability to extend this knowledge to similar methodologies and to relate concepts.

**Grade F:** Incorrect or null understanding of the theories and/or models covered in the module.

**Grade conversion**

NYU in London uses the following scale of numerical equivalents to letter grades:

- A=94-100
- A-=90-93
- B+=87-89
- B=84-86
- B-=80-83
- C+=77-79
- C=74-76
- C-=70-73
- D+=67-69
- D=65-66
- F=below 65

Where no specific numerical equivalent is assigned to a letter grade by the class teacher, the mid point of the range will be used in calculating the final class grade (except in the A range, where 95.5 will be used).

**Grading Policy**

NYU in London aims to have grading standards and results in all its courses similar to those that prevail at Washington Square.
NYUL has a strict policy about course attendance. **No unexcused absences are permitted.** While students should contact their class teachers to catch up on missed work, you should NOT approach them for excused absences.

Excused absences will usually only be considered for serious, unavoidable reasons such as personal ill-health or illness in the immediate family. Trivial or non-essential reasons for absence will not be considered.

Excused absences can only be considered if they are reported in accordance with guidelines which follow, and can only be obtained from the appropriate member of NYUL’s staff.

Please note that you will need to ensure that no make-up classes – or required excursions - have been organised before making any travel plans for the semester. See also section 11.1 - Make up days.

**Absence reporting for an absence due to illness**

1. On the first day of absence due to illness you should report the details of your symptoms by e-mailing absences@nyu.ac.uk including details of: class(es) missed; professor; class time; and whether any work was due including exams. Or call free (from landline) 0800 316 0469 (option 2) to report your absences on the phone.

2. Generally a doctor’s note will be required to ensure you have sought treatment for the illness. Contact the Gower Street Health Centre on 0207 636 7628 to make an appointment, or use HTH general practitioners if you cannot get an appointment expediently at Gower Street.

3. At the end of your period of absence, you will need to complete an absence form online at [http://bit.ly/NuCl5K](http://bit.ly/NuCl5K). You will need to log in to NYU Home to access the form.

4. Finally you must arrange an appointment to speak to Nigel Freeman or Donna Drummond-Smart on your first day back at class. You must have completed the absence form before making your appointment.

Supporting documentation relating to absences must be submitted within one week of your return to class.

**Absence requests for non-illness reasons**

Absence requests for **non-illness** reasons must be discussed with the Academic Office prior to the date(s) in question – no excused absences for reasons other than illness can be applied retrospectively. Please come in and see us in Room 308, 6 Bedford Square, or e-mail us at academics@nyu.ac.uk.

**Further information regarding absences**

Each unexcused absence will be penalized by deducting 3% from the student’s final course mark. Students are responsible for making up any work missed due to absence.

Unexcused absences from exams are not permitted and will result in failure of the exam. If you are granted an excused absence from an examination (with authorisation, as above), your lecturer will decide how you will make-up the assessment component, if at all (by make-up examination, extra coursework, viva voce (oral examination), or an increased weighting on an alternate assessment component, etc.).

NYUL also expects students to arrive to class promptly (both at the beginning and after any breaks) and
to remain for the duration of the class. If timely attendance becomes a problem it is the prerogative of each instructor to deduct a mark or marks from the final grade of each late arrival and each early departure.

Please note that for classes involving a field trip or other external visit, transportation difficulties are never grounds for an excused absence. It is the student’s responsibility to arrive at an agreed meeting point in a punctual and timely fashion.

Please refer to the Student Handbook for full details of the policies relating to attendance. A copy is in your apartment and has been shared with you on Google Docs.

Written work due in class must be submitted during the class time to the professor. Late work should be submitted in person to a member of NYU London staff in the Academic Office (Room 308, 6 Bedford Square) during office hours (Mon – Fri, 10:30 – 17:30). Please also send an electronic copy to academics@nyu.ac.uk for submission to Turnitin.

Work submitted within 5 weekdays after the submission time without an agreed extension receives a penalty of 10 points on the 100 point scale.

Written work submitted more than 5 weekdays after the submission date without an agreed extension fails and is given a zero.

Please note end of semester essays must be submitted on time.

Plagiarism: the presentation of another piece of work or words, ideas, judgements, images or data, in whole or in part, as though they were originally created by you for the assignment, whether intentionally or unintentionally, constitutes an act of plagiarism.

Please refer to the Student Handbook for full details of the plagiarism policy.

All students must submit an electronic copy of each piece of their written work to www.turnitin.com and hand in a printed copy with the digital receipt to their professor. Late submission of work rules apply to both the paper and electronic submission and failure to submit either copy of your work will result in automatic failure in the assignment and possible failure in the class.

Electronic Submission

The Turnitin database will be searched for the purpose of comparison with other students’ work or with other pre-existing writing or publications, and other academic institutions may also search it.

In order for you to be able to submit your work onto the Turnitin website, you will need to set up an account:

1) Go onto the Turnitin website http://www.turnitin.com
2) Click ‘Create Account’ in the top right hand corner
3) Select user type of ‘student’
4) Enter your class ID & Turnitin class enrolment password (these will be e-mailed to you after the drop/add period, or contact academics@nyu.ac.uk if you have misplaced these).
5) Follow the online instructions to create your profile.

To submit your work for class, you will then need to:
1) Log in to the Turnitin website
2) Enter your class by clicking on the class name
3) Next to the piece of work you are submitting (please confirm the due date), click on the ‘submit’ icon
4) Enter the title of your piece of work
5) Browse for the file to upload from wherever you have saved it (USB drive, etc.), please ensure your work is in Word or PDF format, and click ‘submit’
6) Click ‘yes, submit’ to confirm you have selected the correct paper (or ‘no, go back’ to retry)
7) You will then have submitted your essay onto the Turnitin website.
8) **Please print your digital receipt and attach this to the hard copy of your paper before you submit it to your professor** (this digital receipt appears on the web site, immediately after you submit your paper and is also sent to your e-mail address). Please also note that when a paper is submitted to Turnitin all formatting, images, graphics, graphs, charts, and drawings are removed from the paper so that the program can read it accurately. Please do not print the paper in this form to submit to your lecturers, as it is obviously pretty difficult to read! You can still access the exact file you uploaded by clicking on the ‘file’ icon in the ‘content’ column.

Please also see the Late Submission of Work policy, above.

Students must retain an electronic copy of their work for one month after their grades are posted online on Albert and must supply an electronic copy of their work if requested to do so by NYU in London. **Not submitting a copy of a piece of work upon request will result in automatic failure in the assignment and possible failure in the class.** NYU in London may submit in an electronic form the work of any student to a database for use in the detection of plagiarism, without further prior notification to the student.

Penalties for confirmed cases of plagiarism are set out in the Student Handbook.

**Required Text(s)**

**Supplemental Texts(s) (not required to purchase as copies are in NYU-L Library)**

**Internet Research Guidelines**

**Additional Required Equipment**
None

**Session 1**
Introduction to the World Economy
Comparative Advantage I: Labor Productivity and Trade
Sept 2
Chapters 1 and 2 in Yarbrough and Yarbrough
Session 2 | Comparative Advantage II: Factor Endowments and the Neoclassical Model
Sept 9 | Chapters 3 and 4 in Yarbrough and Yarbrough

Session 3 | New Trade Theories
Sept 16 | Chapter 5 in Yarbrough and Yarbrough

Session 4 | International Trade Policy
Sept 23 | Chapters 6, 7, 8 and 9 in Yarbrough and Yarbrough

Session 5 | Economic Integration
Sept 30 | Chapter 9 in Yarbrough and Yarbrough

Session 6 | Growth, Development & Trade
Oct 4 | Chapter 10 in Yarbrough and Yarbrough
| Mid-term exam (1:15 hours, 25% of the final grade).

Session 7 | Immigration, Foreign Investment & Multinational Corporations
Oct 7 | Chapter 10 in Yarbrough and Yarbrough

Session 8 | Currency Markets and Exchange Rates
Oct 14 | Chapters 12 and 18 in Yarbrough and Yarbrough

Session 9 | The Balance of Payments Accounts
Oct 21 | Chapter 13 in Yarbrough and Yarbrough

Session 10 | The Market for Goods and Services in an Open Economy
Oct 28 | Chapter 14 in Yarbrough and Yarbrough

Session 11 | Money, the Banking System and Foreign Exchange
Nov 11 | Chapter 15 in Yarbrough and Yarbrough
| Session 12 | Short-run Macroeconomic Policy under Fixed Exchange Rates |
| Nov 18    | Chapter 16 and 20 in Yarbrough and Yarbrough |
|           | Deadline Coursework submission (20% of the final mark) |
| Session 13| Coursework Group Presentations: 20 minutes presentation/10 minutes questions |
| Nov 25    | 10% of the final mark |
| Session 14| Coursework Group Presentations: 20 minutes presentation/10 minutes questions |
| Dec 2     | 10% of the final mark |
|           | Hand-out coursework feedback |
| Session 15| Final exam (2:30 hours, 45% of the final mark) |
| Dec 9     | Toilet breaks should be taken before or after class or during class breaks. |
|           | Food & drink, including gum, are not to be consumed in class. |
|           | Mobile phones should be set on silent and should not be used in class except for emergencies. |
|           | Laptops are only to be used with the express permission of the teacher. |
|           | Please kindly dispose of rubbish in the bins provided. |

**Required Co-curricular Activities**
None

**Suggested Co-curricular Activities**
None

**Your Instructor**
Dr Trino-Manuel Ñíguez Grau is a Senior Lecturer at the Department of Economics and Quantitative Methods, Westminster Business School (University of Westminster). He received his PhD in Economics from the University of Alicante in 2004 and was a research scholar at the London School of Economics and Political Science (LSE) in 2003 and 2004. Trino-Manuel also holds a Degree of Teacher in Clarinet (Hons) (1994) by the Superior Conservatory of Music of Alicante. Prior to joining the Westminster Business School (WBS), he taught microeconomics, econometrics and time-
series analysis in the Department of Economics at the University of Alicante from 1999 to 2003. From 2003 through 2005, he worked as a graduate teacher assistant in the Departments of Economics and Statistics at the LSE. At WBS he has lectured in international economics and econometrics at postgraduate level, and in applied statistics at undergraduate level.

His research interests fall in the areas of econometric theory, semi-nonparametric methods, financial and macro-econometrics, continuous-time models, and forecasting. His current work focuses on semi-nonparametric density functions for modelling and forecasting the probability distribution of economic variables, long-memory time series, general equilibrium modelling and, market risk forecasting and regulation and their relation with efficiency in capital allocation, economic growth, and social welfare. He has published his research work in top journals such as *Oxford Bulletin of Economics and Statistics, Economics Letters, International Journal of Forecasting, Quantitative Finance, Spanish Economic Review, Journal of Forecasting*, among others.