INTERNATIONAL ECONOMICS AND TRADE

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| Course code | ECO121 |
| Compulsory in the programmes | *Economics and Analytics, Economics and Politics, Finance, International Business and Communication* |
| Level of studies | *Undergraduate* |
| Number of credits | *6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)* |
| Course coordinator (title and name) | *Assoc. Prof. Dr. Aras Zirgulis* |
| Prerequisites | *Macroeconomics* |
| Language of instruction | *English* |

**THE AIM OF THE COURSE:**

The *International Economics and Trade* course aims to equip students with necessary analytical tools for analyzing and critically assessing the current dynamics of global economy and challenges the nation states face in their pursuit of economic welfare. In particular, this course aims to:

**MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS**

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| Course level learning outcomes (objectives) | Learning objectives for BSc in Social Science | Assessment methods | Teaching methods |
| CLO1. Distinguish various conceptualizations and theories of the (economic) globalization phenomenon | BLO1.2  BLO4.2.  ELO1.1  ELO4.1.  ELO4.2. | Midterm test, coursework/ presentation | Lectures, seminars, individual study, self-study in groups |
| CLO2. Analyze global trade and finance governance structures and assess their policies and role in a global economy | BLO1.2  ELO1.1 | Midterm test, final exam | Lectures, seminars, solving exercises, self-study |
| CLO3. Examine strategies and techniques of trans-national corporations in a global economy | BLO1.2  ELO1.1 | Midterm test, final exam | Lectures, seminars, solving exercises, self-study |
| CLO4. Determine the key issues and future challenges for the globalized world economy of the 21st century. | BLO1.2  BLO4.2.  ELO1.1  ELO4.1.  ELO4.2. | Midterm test, coursework/ presentation, final exam | Lectures, seminars, solving exercises, self-study |
| CLO5. Identify causes and consequences of change in international labor, trade and financial flows; | BLO1.2  ELO1.1 | Midterm test, final exam | Lectures, seminars, solving exercises, self-study |
| CLO6. Recognize the underpinnings of the global financial system | BLO1.2  ELO1.1 | Midterm test, final exam | Lectures, seminars, solving exercises, self-study |
| CLO7. Debate the causes and policy actions surrounding economic crises. | BLO1.2  BLO4.2.  ELO1.2.  ELO4.1.  ELO4.2. | Midterm test, coursework/ presentation, final exam | Lectures, seminars, solving exercises, self-study |

**ACADEMIC HONESTY AND INTEGRITY**

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

**COURSE OUTLINE**

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| **Topic** | **In-class hours** | **Readings** |
| **Introductory Course**  Module aims, structure, requirements, assessment criteria, reading list, Introduction. | 2 | Dicken, Chapter 1 |
| **The Shifting Contours and Drivers of the Global Economy**  Defining the waves of globalization; the impact of distance on economic development; the relevance of the core-periphery model; demography. | 4 | Dicken, Chapter 2, 3 |
| **International Trade Theory I**  The Ricardian and Heckscher-Ohlin related models of trade | 4 | Krugman & Obstfeld, Chapter 3, 4, 5 |
| **International Trade Theory II**  New Trade theory relating to economies of scale and imperfect global competition. | 4 | Krugman & Obstfeld, Chapters 7, 8 |
| **Winners and Losers of Globalization**  Evaluation of the costs and benefits associated with trade. | 4 | Dicken, Chapters 9, 10, 11 |
| **Balance of Payments**  Current account balance & foreign debt; change of financial flows; global imbalances and crisis. | 4 | Krugman & Obstfeld  Chapter 13 |
| **Mid-term**  Mid-term exam | 2 |  |
| **Exchange Rates**  An introduction to the asset approach. The effects of money and exchange rates on prices in the short and long run. | 4 | Krugman & Obstfeld,  Chapter 14, 15, 16 |
| **Foreign Direct Investment**  FDI flows and trends, barriers to FDI, and productivity spillovers. | 4 | Krugman & Obstfeld, Chapter 8  Dicken, Chapter 5, 6, 7 |
| **International Monetary System and Policy**  History of the International Monetary System and the different policy options open to governments. | 4 | Krugman & Obstfeld,  Chapter 19 |
| **Financial Globalization: Opportunity and Crisis**  Global financial capital market development and global financial crisis. | 4 | Krugman & Obstfeld,  Chapter 21, 22 |
| **The Rise of Emerging Markets & Crisis**  Issues facing emerging markets and how their rise has affected the rest of the world; regional emerging markets crises. | 4 | Krugman & Obstfeld,  Chapter 22 |
| **Application: The Clothing Industries**  The development of the clothing industries as it relates to the previous theory and practice covered in the course | 4 | Dicken, Chapter 14 |
|  | **Total: 48 hours** |  |
| CONSULTATIONS | 6 |  |
| FINAL EXAM | 2 |  |

\* Means that only material/parts of the chapter, which was covered during, lectures are relevant for the exam.

\*\* Relevant articles and papers will be uploaded and provided via e-learning.

**FINAL GRADE COMPOSITION**

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| **Type of assignment** | **%** |
| *Group Components* 20*%* |  |
| Group Presentation | 20 |
| *Individual Components 80%* |  |
| Midterm exam | 40 |
| Final exam | 40 |
| **Total:** | **100** |

**DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT**

*(Provide short descriptions and grading criteria of each assignment)*

1. The final exam will account for 40% of the final grade. The final exam will include topics after session 6. All the materials that were covered during the lectures and seminars are relevant for the mid-term exam (including student presentations).
2. The mid-term test (40%) will include the topics before session 7. All the materials that were covered during the lectures and seminars are relevant for the mid-term exam (including the student presentations).
3. Presentation grade (20%). Students will be asked to present on a selected topic and submit a one page executive summary.

**RETAKE POLICY**

If final (cumulative) mark of the course, including final exam score, is insufficient, students will be allowed to exercise their right of retake. The retake exam will cover all lectures and case-discussion topics discussed in class during the course. It will be held during the last week of the exam session and will replace the 80% of exams (mid-term and final). Acquired scores from all assignments will be summed up and the final (cumulative) grade will be given. The lecturer reserves the right to choose the form of the exam (multiple choice/ open answer questions/ essay).

**ADDITIONAL REMARKS**

Attendance and participation in the lectures and seminars are not obligatory, however strongly recommended.

Bonus points. The instructor has the right to award active students with up to 0,1 extra (grade) points. These “bonus points” will be only be awarded to students whose (rounded) final grade would increase.

Specific rules apply for in-class presentations.

* 1. Presentations can neither be re-scheduled nor be retaken.
  2. In case of serious reasons, individual students may be allowed to switch with another student. Students are responsible for arranging the changes and must inform the lecturer MINIMUM 1 week in advance.
  3. For feedback on the presentations, please inquire during office hours

Due to the dynamic nature of the content of the course, additional material can be assigned during the course. In case of unforeseen events, the schedule will be adapted. The lecturer is trying to include actual and relevant materials – therefore the reading list may differ. Slide handouts and readings will be prepared for each class and available for download. The slides are the intellectual property of teaching instructor and students may not distribute or duplicate these notes without written consent.

**REQUIRED READINGS**

1. Krugman, P. R.; Obstfeld, M. and Melitz, M. International Economics. Theory and Policy. – 10th ed. -, Pearson Addison Wesley.
2. Dicken, P. Global Shift. Transforming the World Economy. – 7th ed. –, SAGE Publications Ltd, 2015.
3. This course is largely based on research papers which will be provided to students. All papers and articles provided to students via the (e-learning) course page.

**ANNEX**

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for the Bachelor of Business Management**

*Programmes:*

*International Business and Communication,*

*Business Management and Marketing, Finance,*

*Industrial Technology Management*

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| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | BLO1.1. Students will be able to understand core concepts and methods in the business disciplines |
| BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions |
| Students will be socially responsible in their related discipline | BLO2.1. Students will be knowledgeable about ethics and social responsibility |
| Students will be technology agile | BLO3.1. Students will demonstrate proficiency in common business software packages |
| BLO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| BLO4.2. Students will be able to convey their ideas effectively through an oral presentation |
| BLO4.3. Students will be able to convey their ideas effectively in a written paper |

**Learning objectives for the Bachelor of Social Science**

*Programmes:*

*Economics and Data Analytics,*

*Economics and Politics*

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| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines |
| ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements |
| Students will have skills to employ economic thought for the common good | ELO2.1.Students will have a keen sense of ethical criteria for practical problem-solving |
| Students will be technology agile | ELO3.1. Students will demonstrate proficiency in common business software packages |
| ELO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | ELO4.1.Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| ELO4.2.Students will be able to convey their ideas effectively through an oral presentation |
| ELO4.3. Students will be able to convey their ideas effectively in a written paper |