

## INTERNATIONAL ECONOMICS AND TRADE

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

### 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

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.	Midterm test, coursework/ presentation, final exam	Lectures, seminars, solving exercises, self-study

	ELO4.2.		
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

Topic	In-class hours	Readings
<b>Introductory Course</b> Module aims, structure, requirements, assessment criteria, reading list, Introduction.	2	Dicken, Chapter 1
<b>The Shifting Contours and Drivers of the Global Economy</b> 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
<b>International Trade Theory I</b> The Ricardian and Heckscher-Ohlin related models of trade	4	Krugman & Obstfeld, Chapter 3, 4, 5
<b>International Trade Theory II</b> New Trade theory relating to economies of scale and imperfect global competition.	4	Krugman & Obstfeld, Chapters 7, 8
<b>Winners and Losers of Globalization</b> Evaluation of the costs and benefits associated with trade.	4	Dicken, Chapters 9, 10, 11
<b>Balance of Payments</b>	4	Krugman & Obstfeld

Current account balance & foreign debt; change of financial flows; global imbalances and crisis.		Chapter 13
<b>Mid-term</b> Mid-term exam	2	
<b>Exchange Rates</b> 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
<b>Foreign Direct Investment</b> FDI flows and trends, barriers to FDI, and productivity spillovers.	4	Krugman & Obstfeld, Chapter 8 Dicken, Chapter 5, 6, 7
<b>International Monetary System and Policy</b> History of the International Monetary System and the different policy options open to governments.	4	Krugman & Obstfeld, Chapter 19
<b>Financial Globalization: Opportunity and Crisis</b> Global financial capital market development and global financial crisis.	4	Krugman & Obstfeld, Chapter 21, 22
<b>The Rise of Emerging Markets &amp; Crisis</b> Issues facing emerging markets and how their rise has affected the rest of the world; regional emerging markets crises.	4	Krugman & Obstfeld, Chapter 22
<b>Application: The Clothing Industries</b> The development of the clothing industries as it relates to the previous theory and practice covered in the course	4	Dicken, Chapter 14
	<b>Total: 48 hours</b>	
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

Type of assignment	%
<i>Group Components 20%</i>	
Group Presentation	20
<i>Individual Components 80%</i>	
Midterm exam	40

Final exam	40
<b>Total:</b>	<b>100</b>

**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.

- a. Presentations can neither be re-scheduled nor be retaken.
- b. 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.
- c. 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. – 10<sup>th</sup> ed. -, Pearson Addison Wesley.
2. Dicken, P. Global Shift. Transforming the World Economy. – 7<sup>th</sup> 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.

**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*

<b>Learning Goals</b>	<b>Learning Objectives</b>
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*

<b>Learning Goals</b>	<b>Learning Objectives</b>
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