

Introduction to International Economics

ECON 0500

- Term: Summer 2023
- Location: 4900 Wesley W Posvar Hall
- Lectures: MoWe 12:00pm - 3:15pm.
- Instructor: Guillermo Lezama (he/him/his)
- Email: gul30@pitt.edu
- Office: 4514 Wesley W. Posvar Hall

Office Hours

- Office Hours: MoWe 10.30-11.45 AM (In-Person or by Zoom, appointments appreciated)
Th 10-11 AM (In-person or by Zoom and only by appointment).
- Office Hours Appointments: <https://calendly.com/guillelezama/office-hours>
- Zoom Room (for Office Hours): <https://pitt.zoom.us/my/guillermo.lezama>

Course Description and Goals

How do we measure countries' exchanges with the rest of the world? Why do countries not produce everything they consume? How do countries differ on what they trade or the FDI they receive? Which policies have governments enacted to promote/discourage trade and foreign investment? The course addresses questions like these by presenting and discussing the economic principles and policy options that shape relationships between countries.

The course is divided into three main sections: International Finance, International Trade, and International Economic Issues. The first section provides a macroeconomic perspective on international transactions. The second section explores the microeconomic theory and implications of trade policy. The final section uses the macro and micro analytical tools from the previous sections to assess several major topics facing the global economy, including trade agreements, economic development, immigration, and foreign direct investment. Using real-world data, we will also look at how countries differ on multiple dimensions of their external sector.

Upon completion of this course, students will be able to: i) describe and explain the key variables that shape the relationship between countries; ii) identify and outline the main domestic positive and negative effects of a higher degree of the internationalization of an economy; iii) apply models to evaluate the changing conditions on international markets and government policies and their impact on international business; iv) analyze trade and national accounts data from well-known sources.

Prerequisites

One of these two alternatives:

- Econ 0100 and 0110

- Grade C as a minimum in Econ 0800

Course Outline, Requirements, and Activities.

This course is in-person. The course combines in-person lectures, lecture videos, quizzes, assignments, a group project, and two exams. Students are expected to attend the lectures and watch the lecture videos. The instructor will upload the videos, assignments, and other resources following a week-by-week schedule (see the Course Schedule below). Activities that require submission will have due dates. Please review the syllabus carefully.

Course Structure

The course is designed such that both the lecture content, the exercises in quizzes and assignments are important. That is why students are expected to attend and watch lectures and answer the corresponding quizzes.

Instructions will be posted to Canvas that will provide students with information about required instructional materials (instructional videos and readings) to review before participating in the Mo/We class and about assignments for the week.

They are also expected to ask any questions they may have from the interaction with the readings and the lecture. At the end of the week, they should submit their assignment where they put into practice the content of the lecture and the readings.

Lectures

In-Person Lectures

- Students are expected to have reviewed the learning materials before attending class, which will provide a review of the material.
- Students are expected to have watched the lecture videos assigned for that week on the weekend before.
- Class meetings will include working on the assignments.

Lecture Videos

- The total length of video will be approximately 40 minutes per week.
- For each in-person lecture or lecture video, there will be a short quiz to check whether you understand the main concepts in that lecture. Those quizzes will have a deadline.

Assignments

Quizzes

For each lecture video, there will be a short quiz so you can check whether you understood the main concepts in that lecture. Quizzes will have deadlines of at least 96 hours after they are posted.

Assignments

Each week, an assignment will be available for you to submit. It will consist of multiple-choice questions, exercises, and discussion questions. Assignments will be available from Saturday at noon. Assignments are due on Sundays by 11:59am ET on Canvas.

Group Project

In the project, students should follow directions to download and present data about a topic will be decided in the first week. Students should also answer questions regarding the mentioned data. There will be one final submission. Submissions will consist of a data file (preferably .xls) and a 2-page length of answers. During the second week, each group should meet with the instructor to discuss the project. Groups could be of 3 students max. Individual submissions are also allowed. Groups' composition and the choice of the topic should be submitted by July 2nd at 11 PM. Detailed guidelines will be provided on Canvas.

Exams

A midterm will be held at half the course. The midterm will be in class on July 12th.

A final exam will be held at the end of the course. The final exam will be in class on August 2nd.

Both exams are open notes, but without access to the internet. Please review the Academic Integrity section of this syllabus.

Exams will be one hundred and ten minutes.

Grading Policy

- 20% Assignments. Your lowest assignment grade will be dropped in the calculation of the final grade.
- 10% Quizzes. There will be approximately 24 short quizzes during the course. When calculating the final grade I will drop 4 quizzes, dropping those where you got the lowest grade.
- 5% Participation.
- 25% Midterm.
- 30% Final.
- 10% Group Project.

The course will use the following grade boundaries:

| | | |
|-----------------|------------|-------------|
| A+: 97 - 100 | A: 93 - 96 | A-: 90 - 92 |
| B+: 87 - 90 | B: 83 - 86 | B-: 80 - 82 |
| C+: 77 - 80 | C: 73 - 76 | C-: 70 - 72 |
| D+: 67 - 70 | D: 63 - 66 | D-: 60 - 62 |
| F: 59 and below | | |

Only grades that end in .5 or above will be rounded up.

Late Works and Grading: Because your lowest quiz scores and your lowest assignment will be dropped, no make-up quizzes or assignments will be accepted. Also, assignments answers will be uploaded one minute after the deadline, so late assignments not be accepted. In extreme circumstances where you cannot participate in your exam, group submission or submit an assignment, please email me as soon as possible and provide appropriate documentation when available. For

special accommodations, see the section “Disability Services”. **Re-grade:** You have four days after you receive your graded work to request a re-grade. You need to include a written statement about why you think your work needs to be re-graded and which part(s) I should re-grade. Remember that after re-evaluating your work, your grade may remain the same, go up or go down.

Textbook and Readings

Most of the readings will be assigned the following textbook:

- Thomas Pugel, International Economics, 17th edition (or earlier), McGraw-Hill.

However, course material will include subjects that are not covered in the text. Therefore, additional short readings and videos will be posted to Canvas. The book is going to be available at the Pitt Library for loans.

Canvas and Communication

Course information and grades will be posted on the Canvas course website. It is the responsibility of each student to check Canvas and your Pitt email account regularly to stay current with course information. To avoid being overwhelmed with email notifications from Canvas, I recommend that you adjust your notification preferences at the account or course level (<https://community.canvaslms.com/t5/Student-Guide/How-do-I-set-my-Canvas-notification-preferences-as-a-student/ta-p/434>). Make sure that you enable notifications for course announcements so that you do not miss any time-sensitive updates.

Please use direct email rather than the Canvas Inbox to contact me. Direct email is more reliable and more likely to get a quick response.

Calendar

| Week | Units | Activities (at the end of the week) |
|-----------------------|--------------------|--|
| Week 1 (6/26-7/2) | Units 0, 1, and 2 | Assignment 1. Group's composition. Quizzes of Week 1 |
| Week 2 (7/3-7/9) | Units 3 and 4 | Assignment 2. Group Project Discussion. Quizzes of Week 2. |
| Week 3 (7/10-7/16) | Unit 5 and Midterm | Assignment 3. Quizzes of Week 3.. |
| 7/12 (noon) | | Midterm |
| Week 4 (7/17-7/23) | Units 6 and 7 | Assignment 4. Group Project 2nd. submission. Quizzes of Week 4. |
| Week 5 (7/24-7/30) | Units 8 and 9 | Assignment 5. Quizzes of Week 5. |
| Week 6 (7/31-8/6) | Units 10 and 11 | Group Project submission. Assignment of Week 6. Quizzes of Week 6. |
| 8/2 (noon) | | Final |

Topics and Reading Assignments

| Unit | Unit Title | Pugel Chapters |
|---------|--|-------------------------|
| Unit 0 | Introduction | 1 |
| Unit 1 | National Accounts and the Balance of Payments | 16 |
| Unit 2 | The Foreign Exchange Market | 17 |
| Unit 3 | International Finance and Exchange Rates determination | 18, 19 (Partial) and 20 |
| Unit 4 | Open Macro Economy | 21 (Partial) |
| Unit 5 | Traditional Trade Theory | 3, 4, 5 and 7 |
| Unit 6 | Empirical Evidence and Alternative Theories | 6 |
| Unit 7 | Tariffs and Non-Tariffs Barriers | 2, 8 and 9 |
| Unit 8 | Strategic Trade Policy | 10 and 11 |
| Unit 9 | Institutions and Agreements | 12 |
| Unit 10 | Development | 14 and 21 |
| Unit 11 | International Factor Movements | 15 |

A more detailed reading list will be posted on Canvas for each unit.

Academic Integrity

Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity. Any student suspected of violating this obligation for any reason during the semester will be required to participate in the procedural process, initiated at the instructor level, as outlined in the University Guidelines on Academic Integrity. This may include, but is not limited to, the confiscation of the examination of any individual suspected of violating University Policy. Furthermore, no student may bring any unauthorized materials to an exam, including dictionaries and programmable calculators.

To learn more about Academic Integrity, visit the Academic Integrity Guide for an overview of the topic. For hands- on practice, complete the Understanding and Avoiding Plagiarism tutorial. This course follows a zero-tolerance policy on all forms of academic dishonesty. All assignments will be checked for plagiarism using automated software.

Regarding all assignments, the group project, and exams, it is not acceptable to post on any of these sites with specific assignment-related questions or otherwise ask anyone to create or give you an answer to any part of an assignment. Any online resources used should be briefly attributed (e.g., a footnote noting the URL).

Disability Services

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both your instructor and Disability Resources and Services (DRS), 140 William Pitt Union, (412) 648-7890, drsrecep@pitt.edu, (412) 228-5347 for P3 ASL users, as early as possible in the term. DRS will verify your disability and determine reasonable accommodations for this course.

Equity, Diversity, and Inclusion

The University of Pittsburgh does not tolerate any form of discrimination, harassment, or retaliation based on disability, race, color, religion, national origin, ancestry, genetic information, marital status, familial status, sex, age, sexual orientation, veteran status or gender identity or other factors as stated in the University's Title IX policy. The University is committed to taking prompt action to end a hostile environment that interferes with the University's mission. For more information about policies, procedures, and practices, visit the Civil Rights & Title IX Compliance web page. I ask that everyone in the class strive to help ensure that other members of this class can learn in a supportive and respectful environment. If there are instances of the aforementioned issues, please contact the Title IX Coordinator, by calling 412-648-7860, or e-mailing titleixcoordinator@pitt.edu. Reports can also be filed online. You may also choose to report this to a faculty/staff member; they are required to communicate this to the University's Office of Diversity and Inclusion. If you wish to maintain complete confidentiality, you may also contact the University Counseling Center (412-648-7930).