

Welcome to Economics 230-758 Advanced International Economics. Please read the syllabus below very carefully.

UNIVERSITY OF WISCONSIN-WHITEWATER
Department of Economics
Advanced International Economics 230-758 - WEB EDITION
Summer 2006

ALL DATES AND TIMES ARE CENTRAL DAYLIGHT TIME U.S., GMT -6

Instructor: Jeff Heinrich

Carlson Hall 4043 (though I expect to often work from home)

My Phone: 262.472.5583 (O); 608.741.1369 (H)

Department Phone: 262.472.1361

Fax: 262.472.4863

email: heinricj@uww.edu

PLEASE READ THIS DOCUMENT CAREFULLY, ESPECIALLY IF THIS IS YOUR FIRST INTERNET CLASS.

You are required to send me an email by the end of Thursday, July 6 attesting to your being present, attentive, and ready to begin (and not just registered for the course).

Office Hours and Correspondence:

I do not intend to maintain formal office hours. If I am not available in my office, feel free to try and reach me at home anytime before 9pm CDT (I screen calls to my home, so do leave your name and number on the answering machine so I can pick up the phone or get back to you). I will try to respond to emails as soon as possible. Feel free to make appointments with me should you feel the need.

Technology Issues:

If you have any questions about technology or accessing the course, you should first consult the On-Line MBA Help Desk at mbahelp@uww.edu or for local and cell-phone anytime minute users, call 262.472.4981. For long-distance callers, use the toll-free line 866.472.4982.

If you have questions about the course material, contact me. I may also be able to offer limited assistance with technology issues, but your primary resources for this information should be the On-Line MBA Help Desk.

Course Description and Objectives:

Advanced International Economics is a course intended to expose MBA students to the principle workings of the international economy. As the economies of the world become ever more interdependent, it is helpful to understand the nature and mechanisms of this

interdependence and its implications for business and the public at large. While at times not of obvious relevance, international events help to shape the environment in which decisions and policies must be made. Understanding this dynamic will help to inform strategic business decisions and public policy analysis.

The material is roughly broken down into two halves – international trade and international macroeconomics/finance. The first will consider the nature and instruments of foreign exchange trading, exchange rate determination, and the basics of open-economy macroeconomics and policy, in particular how economies interact in the large. The second will examine the basis for and scope of world trade, the principle tools of trade policy and the forces behind their use, and the structure of the World Trade Organization. Our emphasis will be on understanding the abstract theoretical foundations, and hopefully then applying them in the analysis of international economic issues and events. Given the time constraints of a summer course, I have chosen to emphasize the theoretical aspects of the material.

This syllabus will provide an overview of the content and requirements of the course, and a schedule for the term. Specific instructions will be detailed in the modules in Learning Space.

Required Materials:

- *International Economics*, W.C. Sawyer and R. Sprinkle, 2nd ed, 2006, Prentice Hall Publishers/Pearson Education, ISBN 0-13-017416-8
- Course CD-ROM - Note: I have made only a few changes to the CD from last year's offering of the course, so it may very well be dated in some regards. If it is and particularly if some examples are out of date, consider it a history lesson ;-)
- Access to internet browser and word processing software.
- PDF viewing software - Adobe Acrobat Reader available free of charge from <http://www.adobe.com/products/acrobat/readstep.html>
- Microsoft PowerPoint software (Did you know that you may purchase Microsoft Office, which contains MSWord, Powerpoint, and Excel, through the university for only \$40? Contact the UW-Whitewater bookstore). The presentations prepared on the Course CD-ROM are PowerPoint with audio overlay.

Course Expectations:

As you know, this course is taught entirely over the Internet aside from the occasional phone, fax, or post communication. The format of the course will thus necessarily differ from a traditional face-to-face course. Though the same amount of time and effort will be required, student focus and self-motivation plays a more critical role in this environment. The student is solely responsible for doing the work in a timely fashion, and completing assignments in the week in which they are given. Given that this course is crammed into 6 weeks, falling behind will cripple you in this course. No late assignments will be accepted – it is assumed you have allocated your time such that there are no conflicts with your commitments implied by registering for this course. As noted previously, you are permitted to look ahead in the course to the extent possible, but I would urge caution in working ahead on assignments.

The CD, textbook and Internet portions of the course are intended to complement each other. The CD provides an introduction and review of the material. The text provides more depth, as well as some real-world application/analysis. The Internet portion is meant to give students some experience working with the concepts. Students are expected to read and reread assigned material carefully. The readings are a far more important component of the course than in classroom settings. You may move through some material relatively quickly, while other material may require more effort. In this course you have the flexibility to devote as much or as little time as necessary as long as you keep up.

There is no great challenge to just remembering and repeating the material. Assessments will require you to think through the problems and situations presented. It is unusual for such problems to be presented exactly as demonstrated elsewhere. Rather, the problems will often be presented in a way that may be new to you. This requires a deeper understanding than rote repetition or simple plug-and-chug computations. My purpose in this is explicitly to differentiate between those students that gloss over the material with only a vague understanding, and those students that truly wrestle with the ideas and work to understand them, and it works.

Course Organization:

The course is organized primarily around Modules, one module per week. It is expected that all assignments for a module will be completed in the week the module is assigned, unless otherwise specified. Discussions will require more timely attention, and exams and quizzes will have specific dates for completion. Quizzes (i.e., frequent exams) are the primary instrument by which your learning will be assessed. The other tool is a course paper, which will review the economic environment of a country not the United States.

A module will entail the following actions. First, read the "Module Objectives" for the appropriate module. Second, view and listen to the PowerPoint presentation found on the CD-ROM in your packet, or can be downloaded from the MBA content server (links in the appropriate content topic). You may wish to take notes as you view the presentation. Third, read the assigned material from the text and any other sources that might be assigned (usually, just the text). Fourth, take some time to work on the Practice Problems and Self-Assessment Exercises. Finally, complete the remainder of the assignments in the module - this will likely take the form of a single quiz/exam for the module, or a group presentation depending on the module. Students will be organized into small groups. The groups are responsible for a presentation (just one) and a paper, and possibly parts of the quizzes. It is absolutely critical that the members of the group work together...members will sink or swim together. I detest free-riding; if someone in your group is free-riding, please let me know. At the very least we can ensure they don't benefit from the real work of others.

Grading System:

Grading will be based on participation in group discussions and performance on exams, quizzes, the group project, and any other assignments. I always begin a class specifying the following scale: A: 92-100%; A/B: 88-91; B: 83-87; B/C: 78-82; C: 70-77; D: 60-69; F < 60%. If necessary, I will "curve" but this curve will never give you a worse grade than the above distribution would indicate. The contribution of work to your grade is as follows:

Module Quizzes/Exams: 5, 70% of total grade (14% each).
Short Paper/Presentation: 20% of total grade.
Group Peer Evaluation: 10% of total grade.

NOTE ON DUE DATES: Assignments have due dates specified when they are for credit (i.e., graded). Assignments are due by 11:59 pm of the day specified. Thus, if an assignment says "due on July 30," you can submit the assignment at any time on or before July 30 for credit. D2L will automatically refuse to accept late work, and I'm comfortable with that.

Policy on Student Collaboration:

Students are expressly expected to work closely together within their groups, and group members will be evaluating each-other in a way that will explicitly impact grades. Groups always suffer from the potential for free-riders, so one way to deal with that each student will be providing feedback to me which will materially impact the course grade of other group members. It may be surprising, but even at the MBA level people can and do plagiarise. As such, it is essential you review each-other's work. It is possible for a group to expel a member, and that is a very bad thing to happen to you. See below.

Students are encouraged to post topics for discussion in the Discussion area frequently and capriciously, but discussion activity is not graded. The only required element is a Group Presentation. You can expect the schedule for that presentation to appear before the end of the first week of class. The first presentation will be during the second week.

Presentation:

Each group will be required to present 1 article relevant to the country they will examine for their short paper. This article need not be one they intend to use for preparing the paper. Presentations will be during weeks 2-5. This assignment will be a small part of the group paper grade. More information on requirements and group presentation scheduling will be forthcoming after groups have been assigned during the first week.

Quizzes/Exams:

In each module except the last there will be a graded quiz. Quiz handling will be document-based...you download the quiz document, and return a document that has your responses in the appropriate folder in the Dropbox area. There will also be non-graded problems for practice and self-assessment in each module, with the occasional exception. Quizzes are due on Sunday (any time at all on Sunday) following the week they cover to give students the opportunity to work on them over the weekend if they so choose.

Short Paper:

There will be one paper due on Wednesday, August 9. The paper will be an economic overview description/analysis of a country that is not the US. More detail on the expected outline for the paper will be provided in the assignment in the course schedule.

Peer Evaluation:

During the last week of class you are required to submit an evaluation of all other members in your group. You will submit a document in the appropriate Dropbox folder by Friday, August 11. The evaluation must take the form of a score out of 100 points for each of your other group members (you don't assess yourself), along with a brief supporting explanation. Some things to keep in mind:

--Your score should primarily reflect the extent to which your group members contributed to group work. It represents the percentage of group work to which the individual you are scoring contributed relative to other group members.

--You should be very mindful of how your peers might assess your own contribution. In my experience, people are rather unforgiving when other people aren't picking up their share of the work and aren't particularly sensitive to other demands that might be made on your time. Being a wallflower or waiting until the last minute to make contributions are particularly frowned upon. It is best to think of the groups as small learning communities, not artefacts to facilitate the subdivision of work. I recommend doing all the quiz problems yourself before going to the group, so that group time can best be used to discuss the solutions and not derive them.

--Coordinate group activities. You shouldn't need to arrange times when you can all "get together", but you'll have to arrange a schedule for group contributions so nobody is waiting on a particular individual.

Expulsion from a Group:

I will permit a group to expel a member from its ranks by unanimous consent of all other group members. The expelled member will be responsible for doing all assigned work individually. The expelled person will of course receive a zero for their Peer Evaluation score. This is a very steep price to being kicked out, so I suggest you be mindful of staying on good terms with other group members. The expelled member may return to their previous group (and no other) should there be sufficient consent within the group. I will handle these instances on a case-by-case basis.

I will also feel free to deal with free-riders in any way my whim leads me above and beyond anything else mentioned.

Course Modules:

There are 6 Modules corresponding to 6 weeks of the course; typically, each module will contain two substantive course topics. The sixth contains but one such topic to allow for time to complete the Short Paper. Below is a course schedule – consult each module for detailed assignments. This course must of necessity move at a very fast pace and catching up will be extremely difficult – falling behind is the kiss of death.

Term Schedule: The topics, readings, and PowerPoint presentations in brief

Module 0 - Introduction and Overview; should be completed before formal start of the course.

Read Chapter 1; view Introduction presentation

Week 1, Module 1 – July 3 to July 9; Foreign Exchange Markets and Short Run Exchange Rate Determination

Read Chapter 12 and Foreign Exchange Derivates (PDF - Melvin, Ch.4); view Introduction to Foreign Exchange presentation

Read Chapters 13 and 14, including appendix 14.2; view Exchange Rate Determination in the Short Run presentation

Week 2, Module 2 – July 10 to July 16; Exchange Rates in the Long Run; Open Economy Macroeconomic Fundamentals

Read Chapter 15; view Exchange Rates in the Long Run presentation

Read Chapter 16; view How Exchange Rates affect the Real Economy in the Short Run presentation

Week 3, Module 3 - July 17 to July 23; Macroeconomic Policy in Open Economies

Read Chapter 17; view Macroeconomic Policy in Open Economies presentation

Week 4, Module 4 - July 24 to July 30; Comparative Advantage in International Trade

Read Chapter 2; view Comparative Advantage presentation

Read Chapter 3; view Factor Endowments and Trade presentation

Week 5, Module 5 - July 31 to August 6; Other Trade Theories and Trade Policy Basics

Read Chapter 4; view Alternative Theories of Trade presentation

Read Chapters 6 and 7; view Trade Policy & Intervention presentation

Week 6, Module 6 - August 7 to August 11; Political Economy of Trade and the Trading System

Read Chapter 8; view Political Economy of Trade Policy presentation

Short Paper (only one) due August 9.

Policy Statement:

The University of Wisconsin-Whitewater is dedicated to a safe, supportive and non-discriminatory learning environment. It is the responsibility of all undergraduate and graduate students to familiarize themselves with University policies regarding Special Accommodations, Misconduct, Religious Beliefs Accommodation, Discrimination and Absence for University Sponsored Events. (For details please refer to the Undergraduate and Graduate Timetables; the “Rights and Responsibilities” section of the Undergraduate Bulletin; the Academic Requirements and Policies and the Facilities and Services sections of the Graduate Bulletin; and the “Student Academic Disciplinary Procedures” [UWS Chapter 14]; and the “Student Nonacademic Disciplinary Procedures” [UWS Chapter 17].