

## COURSE DESCRIPTION

<b>Course title:</b> International Economics	<b>Neptune code of course:</b> GTGKG1231BNA Institute of Economics Theory and Methodology
	<b>Course type:</b> module
<b>Course coordinator:</b>	Zoltan Bartha, PhD <a href="https://gemi.uni-miskolc.hu/zolibartha">https://gemi.uni-miskolc.hu/zolibartha</a>
<b>Syllabus:</b>	<a href="https://gemi.uni-miskolc.hu/intecon">https://gemi.uni-miskolc.hu/intecon</a>
<b>Time of classes:</b>	Monday 8:00-9:30
<b>Place of classes:</b>	Building A1 Lecture hall IV
<b>Recommended semester:</b> 3 Autumn	<b>Precondition:</b> -
<b>Number of lessons/week:</b> 1+1	<b>Acknowledgement of course completion:</b> signature, written exam
<b>Credit value:</b> 3	<b>Training format:</b> full-time
<b>Issued:</b>	1 September 2024
<b>Aim and content of course:</b> <p>The purpose of this course is to direct student's interest towards international economics and to help students understand the basics of international trade and finance, and the effects of various international economic policies on domestic and world welfare. The course will cover Ricardian and neoclassical theories of trade; trade policies; tariffs, quotas, voluntary export restraints and customs union; balance-of-payments accounts.</p> <p><b>Competences to be developed:</b>  The student...</p> <p><b>Knowledge</b>  understands the processes and connections of the global economic and social environment;  knows the international context of economic, methodological and analytical approaches;  has knowledge of the basic and comprehensive concepts, theories, facts, national and international aspects of economics.</p> <p><b>Ability</b>  using the learned theories and methods, uncovers, organizes and analyzes facts and fundamental relationships, formulates independent conclusions and critical comments;  inspects and interprets global economic and international business processes, changes in relevant policies and legislation relevant to economic policy and the field of expertise, and their effects, and takes them into account during analyses, proposals and decisions.</p> <p><b>Attitude</b>  adopts a problem-sensitive and solution-seeking attitude.</p> <p><b>Autonomy and responsibility</b>  assumes responsibility for the results of his work and, as part of it, for his analyses, conclusions and decisions;  adheres to the professional and ethical standards of academic life and work.</p>	
<b>Thematic description of course content:</b>	
	<b>Lecture:</b>
9 Sep	International economics – theory and practice. Analysis of international trade and specialisation. Why do countries specialise? What kind of advantages may countries use during specialisation?
16 Sep	Labour unit requirement and labour unit productivity. Adam Smith's ideas on enhancing productivity and the theory of absolute advantage.
23 Sep	Why would countries specialise in products which others can produce more efficiently? Trade between countries of different level of development. Introduction to the theory of comparative advantage.
30 Sep	Rethinking comparative advantages. A multi-factor economy – the model of specific factors. How the presence of multiple factors affect the advantages derived from international trade?
7 Oct	The Heckscher-Ohlin-model, and the Leontief-paradox.
14 Oct	The standard model of trade: connections among opportunity costs, relative prices, international

	trade function and national income. Further consideration regarding the standard model. How do transnational firms effect international trade? Recap and exercises about the trade models
21 Oct	1 <sup>st</sup> midterm exam (optional)
28 Oct	Rector's study break – no teaching
4 Nov	Restricting free trade – why do countries apply protectionist instruments? Retrospection to the history of economics: mercantilism, classical, neoclassical and Keynesian approach.
11 Nov	Instruments of trade policy: tariffs (customs, types of customs), and other means (quotas, export-subsidventions, voluntary export restraints, red tape barriers). Institutions regulating international trade.
18 Nov	The effects of tariffs on a small economy: benefits and losses of tariffs. Introducing tariffs into the standard model of trade.
25 Nov	The effects of tariffs on a large economy: changes in terms of trade, determining the optimal tariff. Benefits and losses in case of a large economy.
2 Dec	The political economy of tariffs. Registering the international relations of a country: international balance of payments. Parts of the international balance of payments.
9 Dec	2 <sup>nd</sup> midterm exam (optional)
<i>Nota bene. In case of extraordinary measures introduced by the government/university, the class structure, and the assessment methods may change.</i>	
<p><b>Method and evaluation of in-semester assessment:</b></p> <p><b>Requirements for obtaining the signature:</b> Students who register for the course in Neptun, automatically receive the signature from the course. Active class participation is very much recommended.</p> <p><b>Completion requirements and evaluation criteria for seminar grades and exams:</b> you may only take the exam if you obtained a signature from the course</p> <p><b>Oral/written exams, or specific methods/practices applied during the course:</b></p> <p>Students have the option to write a midterm exam (see the weekly schedule about the exact date), or they can write the final exam during the exam period. The midterm and the final exam have the exact same structure, they consist of true or false statements (5 points in total; points are awarded if an explanation is given), definitions (4 points), a graph showing the relationships between important economic variables (4 points), and exercises (11 points in total). The time available for the exam is 45 minutes. Students can use a calculator.</p> <p>A test sample is downloadable from <a href="https://gemi.uni-miskolc.hu/intecon">https://gemi.uni-miskolc.hu/intecon</a></p> <p>The final grade is calculated as follows:</p> <ul style="list-style-type: none"> <li>- You may get your grade based on the midterm results if you score at least 12 points in both of your tests. Your grade will be calculated based on the average of the two test scores (see points structure below)</li> <li>- You may also get your grade by completing the final exam during the exam period.</li> </ul> <p>Grades: 0-11 points – Fail (1-F); 12-14 points – Pass (2-E); 15-17 points – Medium (3-D); 18-20 points – Good (4-C); 21-22 points – Very Good (5-B); 23-24 – Excellent (5-A)</p>	
<p><b>Required reading:</b></p> <p>Paul R. Krugman – Maurice Obstfeld: International Economics – Theory and Policy. Pearson Education, 8th edition.</p> <p>Slides downloadable from <a href="https://gemi.uni-miskolc.hu/intecon">https://gemi.uni-miskolc.hu/intecon</a> &amp; the eLearning system: <a href="https://elearning.uni-miskolc.hu/zart/">https://elearning.uni-miskolc.hu/zart/</a></p> <p><b>Suggested reading:</b></p> <p>Recent issues of The Economist: <a href="http://www.economist.com/">http://www.economist.com/</a></p> <p>Robert C. Feenstra - Alan M. Taylor: International Trade. Fourth Edition. New York : Worth Publishers, Macmillan Learning.</p> <p>Arvind Panagariya - Rupa Duttagupta: Politics of free trade areas: tariffs versus quotas. Journal of International Economics Volume 58, Issue 2, December 2002, Pages 413-427</p> <p>PWC: Brexit monitor - <a href="https://www.pwc.nl/nl/brexit/documents/pwc-brexit-monitor-trade.pdf">https://www.pwc.nl/nl/brexit/documents/pwc-brexit-monitor-trade.pdf</a></p>	