International Economics

SYLLABUS

for 2nd and 3rd year students in BA program, Faculty of Economics

1st Semester, 2015/2016 academic year

Code:	GTGKG1231BNA
Lecturer:	Zoltán Bartha, Phd.
Nature of course:	Lecture
Hours / Week::	2 lectures
Total hours:	28 hours/semester
Category:	Compulsory
Language:	English
Assessment:	Participation Two (optional) mid-term exams Written exam at the end of the semester
Prerequisite:	Fluency in English Knowledge of Micro- and Macroeconomics
Classes	Building A1, Lecture Hall V.
ECTS Credits:	3 credits

Course Objectives

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; foreign exchange markets.

Course Structure

Week	Topic
1. 07-09	International economics – theory and practice. Analysis of international trade and specialisation. Why do countries specialise? What kind of advantages may countries use during specialisation?
2. 14-09	Labour unit requirement and labour unit productivity. Adam Smith's ideas on enhancing productivity and the theory of absolute advantage.
3. 21-09	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.
4. 28-09	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?
5. 05-10	The Heckscher-Ohlin-model, and the Leontief-paradox.
6. 12-10	The standard model of trade: connections among opportunity costs, relative prices, international trade function and national income. An economy with multiple goods.
7. 19-10	Further exercises with the standard model of trade
8. 26-10	1st midterm exam (optional)
9. 02-11	No teaching – Professional days
10.	Restricting free trade – why do countries apply protectionist instruments? Retrospection

09-11	to the history of economics: mercantilism, classical, neoclassical and Keynesian approach. Instruments of trade policy: tariffs (customs, types of customs), and other means (quotas, export-subventions, voluntary export restraints, red tape barriers). Institutions regulating international trade.
11. 16-11	The effects of tariffs on a small economy: benefits and losses of tariffs. Introducing tariffs into the standard model of trade. 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.
12. 23-11	The political economy of tariffs
13. 30-11	Registering the international relations of a country: international balance of payments. Parts of the international balance of payments.
14. 07-12	2nd midterm exam (optional)
EXAM	Written exam during examination period

Required Readings

Paul R. Krugman – Maurice Obstfeld: International Economics – Theory and Policy. Pearson Education 2003.

Slides downloadable from http://gtk.uni-miskolc.hu/gei/intecon

Course Assessment

Students have the option to take two midterm exams. If they achieve 50% or more in both tests, a final grade is awarded based on their performance.

A test sample is downloadable from http://gtk.uni-miskolc.hu/gei/intecon

Students are required to take a final term exam (if they fail or choose not to complete the midterm exams). Their performance is evaluated as follows:

Points	ECTS Grade	Hun Grade
0-11	F	1
12-14	E	2
15-17	D	3
18-20	C	4
21-22	B	5
23-24	A	5

Teaching team:

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