

## COURSE SYLLABUS

### 1. COURSE DESCRIPTION

<b>Grado:</b>	<b>Administración y Dirección de Empresas</b> (English teaching)
<b>Doble Grado:</b>	<b>Derecho y Administración y Dirección de Empresas</b> (English teaching)
<b>Asignatura:</b>	<b>INTERNATIONAL ECONOMICS</b> (Economía Internacional –English teaching)
<b>Módulo:</b>	<b>II: Extension in Economics and Statistics</b>
<b>Departamento:</b>	<b>Economics, Quantitative Methods and Economic History</b>
<b>Semestre:</b>	<b>Second term</b>
<b>Créditos totales:</b>	<b>6</b>
<b>Curso:</b>	<b>2<sup>nd</sup>/3<sup>rd</sup></b>
<b>Carácter:</b>	<b>Obligatory</b>
<b>Lengua de impartición:</b>	<b>English</b>

<b>Modelo de docencia:</b>	<b>A1</b>	
<b>a. Enseñanzas Básicas (EB):</b>		<b>70%</b>
<b>b. Enseñanzas de Prácticas y Desarrollo (EPD):</b>		<b>30%</b>
<b>c. Actividades Dirigidas (AD):</b>		



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### **2. COURSE COORDINATOR**

**Course coordinator Alejandro C. García Cintado**

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### 3. ACADEMIC CONTEXT

#### 3.1. Course Description and Objectives

Never has the study of international economics been as crucial to understanding the real World as it is today. At the outset of the XXI century, countries find themselves far more closely integrated, from any point of view, than they have ever been before. Over the last decade, the global economy has posed many new aspects, from the reaction arisen against globalization to the unprecedented financial crises occurred in the last years. This subject is intended for the student to become familiar with the most relevant concepts and methods of analysis in the field of international economics and for him/her to be able to carry out a rigorous analysis of the main phenomena coming about in the current global economy.

The main objectives of this course are:

1. Enhance the comprehension of the general economic framework from an international viewpoint.
2. Provide the fundamental tools for analyzing the global economy.
3. Delve deeper in the main features of the world economy.

#### 3.2. Contribution to the Training Plan

Over his/her professional career, the student of Business Administration and Management will have to make decisions within the economic environment in which the firm operates. Hence, it is essential that he/she understand and know how to deal with the economic atmosphere in which the firm is inserted. For that reason, he/she needs to acquire a set of knowledge competences, as well as those having to do with capacities and attitudes concerning the analysis of economic relations among the distinct economic agents: consumers, firms and the government. The subject "International Economics" pertains to the set of courses, within the bachelor degree of Business Administration, that cope with such relationships. More specifically, within the first year module "Basic training in Economic and Management sciences", the subjects "Principles of Economics" and "Microeconomics" are included. In the second year, within the module "Extensions on Economics and Statistics", "Macroeconomics" is covered over the first semester. In the second one, "Applied Economics" and "International Economics" are courses which can be taken within the module "Analysis of the economic and judicial environment". Thus, in being taught right after those abovementioned courses, except Applied Economics, International Economics builds upon the knowledge absorbed from them.

The study of international trade and finance has always been an active and controversial strand of economics. The majority of the key reflections that the modern economic analysis allows for stem from the debates over international trade and monetary policy that took place in XVIII and XIX centuries. Notwithstanding, never before has the study of international trade been more important than it is today. Through the international

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trade of goods and services and the international money flows, economies all over the world are more closely integrated than ever before. At the same time, the world economy is going through a very turbulent period, more than ever before. Keeping up with the changes occurring in the world economy greatly concerns firms and governments in shaping their strategies and economic policies.

International Economics makes use of the same fundamental tools of analysis as the other strands of economics, because the motivation and the economic agents' behaviour are the same both at the international and national levels.

Then, why is it important to have a course that digs deeper into the knowledge and analysis of the international aspects regarding trade relations? The reason is that international economics involves new and different concerns since international trade and foreign investment take place among independent nations. That is why a special analysis of the international economic relations, by using different tools and theories, needs to be undertaken. As far as the firm is concerned, this is a fundamental task in the current economic environment characterized by the occurrence of globalization and the processes of economic integration, like the European Union.

This subject represents the highest possible level attained by students within this set of economics subjects. This subject in turns provides the student with a basic background to go deeper into the international dimension of the firm at a graduate level. As regards students' professional careers, its main interest lies in the possibility of students receiving a bunch of abilities in order for them to get a good grasp of how the business activity works in the current economic environment within which international economic relations become essential.

### **3.3. Recommendations or Prerequisites**

Legal prerequisites: no.

Essential prerequisites: in order to take this subject it is essential to have some knowledge of micro and macroeconomics, being familiar with the consumer theory, production theory and the macro magnitudes, as well as with the graphical and analytical tools relative to those concepts. That is why succeeding in the first year-subject "Principles of economics", which belongs to the same degree, is required.

Recommendable prerequisites: to have passed Microeconomics and Macroeconomics. It is also advisable to have basic computer skills so as to be able to handle data, process texts and search for information by browsing on the Net.

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### 4. SKILLS

#### 4.1 Degree Skills Developed during this Course

##### GENERAL:

- Students should acquire the capacity to apply their knowledge to their profession in a professional manner. Likewise, they should be able to have the capabilities to show their ability to defend their arguments and solve problems within their area of study.
- Students should be able to interpret relevant data (normally within their area of study) to issue judgements about relevant issues of social, scientific or ethical character.
- Students should be able to transmit information, ideas, problems and solutions to the specialized and non-specialized public.
- Que los estudiantes puedan transmitir información, ideas, problemas y soluciones a un público tanto especializado como no especializado.
- Que los estudiantes hayan desarrollado aquellas habilidades de aprendizaje necesarias para emprender estudios posteriores con un alto grado de autonomía.

##### GENERAL/INSTRUMENTAL:

- Capacity of analysis and synthesis
- Capacity of organizing and planning
- Verbal and written communication in English.
- Ability to analyze and search for information stemming from various sources.
- Capacity to solve problems.
- Capacity to make decisions.

##### GENERAL/PERSONAL:

- Capacity of team-working.
- Ability for the personal relationships.
- Capacity of criticism and self-criticism.
- Ethical commitment in the job place.
- Capacity to work under pressure.

##### GENERAL/SYSTEMIC:

- Capacity of autonomous learning.
- Capacity of adapting to new situations.
- Creativity.
- Leadership.
- Entrepreneurship.
- Motivation towards quality.
- Sensitiveness towards environmental and social issues.
- Acting according to a criterion of social responsibility, principle of equality of

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opportunities between men and women, principle of equality of opportunities for people with disability, and the cultural values of peace and democracy.

### SPECIFIC

- Acquire an understanding of financial institutions through the application of formal theoretical market models.
- Become familiar with the main macroeconomic aggregates and their utility.
- Grasp the general way the economy works: short term, mid term and long term.
- Understand the function, utility and limitations of macroeconomic policies.
- Understand how economic models are used to make predictions about the real world.
- Encourage scientific spirit and research by developing an ability to analyse new problems with acquired tools; develop the ability to reason rigorously and systematically.
- Know the basic mathematical and statistical tools applied to economics, and analyze quantitatively the economic reality. Link to that, interlink the knowledge acquired in economic theory, mathematics and statistics.
- Know the historical perspective, genesis and evolution of the great economic issues and subjects nowadays.

### 4.2. Module Skills Developed during this Course

To become acquainted with the Theory of Economic Integration and to understand the Europe-building process and its economic and monetary implications. To become acquainted with the Theory of International Trade and the functioning of the International Financial Markets. To know what the globalization is and what its implications for development are.

### 4.3. Course-specific Skills

a) Competences/Abilities of knowledge:

- To know the main theories that account for the trade relations among countries.
- To know the main trade policy's main tools.
- To know the International Financial System.
- To know the main International Economic Institutions.
- To know the most basic theories which explain the determination of the nominal exchange rate.
- To know the relationships between exchange rates and external competitiveness of an economy.
- To know what the processes of Economic Integration are and which economic effects they have.

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b) Competences of abilities:

To use the skills provided by this subject to:

- To identify the pattern of trade of countries: comparative advantages, trade specialization and the nature of trade flows.
- To identify the effects of trade policies on economic efficiency and welfare.
- To use the nominal exchange rate so as to check how changes in it affect competitiveness

c) Competences of attitudes:

To analyze the international economic environment on the basis of sound and fact-checked arguments, avoiding resorting to the fallacies and prejudices many economic agents fall back on when attempting to deal with these issues.

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### 5. COURSE CONTENT (COURSE TOPICS)

#### **Part 1: International Trade Theory**

Chapter 2: World Trade: An Overview

Chapter 3: Labor Productivity and Comparative Advantage: The Ricardian Model

Chapter 4: Specific Factors and Income Distribution

Chapter 5: Resources and Trade: The Heckscher-Ohlin Model

Chapter 6: The Standard Trade Model

Chapter 7: External Economies of Scale and the International Location of Production

Chapter 8: Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises

#### **Part 2: International Trade Policy**

Chapter 9: The Instruments of Trade Policy

Chapter 10: The Political Economy of Trade Policy

Chapter 11: Trade Policy in Developing Countries

Chapter 12: Controversies in Trade Policy

#### **Part 3: Exchange Rates and Open-Economy Macroeconomics**

Chapter 13: National Income Accounting and the Balance of Payments

Chapter 14: Exchange Rates and the Foreign Exchange Market: An Asset Approach

Chapter 15: Money, Interest Rates, and Exchange Rates

Chapter 16: Price Levels and the Exchange Rate in the Long Run

Chapter 17: Output and the Exchange Rate in the Short Run

Chapter 18: Fixed Exchange Rates and Foreign Exchange

#### **Part 4: International Macroeconomic Policy**

Chapter 19: International Monetary Systems: An Historical Overview

Chapter 20: Optimum Currency Areas and the European Experience

Chapter 21: Financial Globalization: Opportunity and Crisis

Chapter 22: Developing Countries: Growth, Crisis, and Reform



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### 6. METHODOLOGY AND RESOURCES

In order to reach the objectives proposed for the subject, the course will be organized according to the following scheme: general intro/background (70%) and practical/developmental learning (30%).

#### General Theory / Background

This is aimed at orienting the student in the process of learning and acquisition of the course-specific skills and the instrumental competencies. A series of basic activities will be carried out as a large group in 21 sessions of 1.5-hour duration with the professor. The content of the sessions will vary according to when they occur throughout the course. In these sessions the professor will provide a basic theoretical framework for the course. In addition, in some occasions there will be also theory and practice oriented questions in addition to up-to-date economic news with the aim of applying the economic theories learnt throughout the course. As it may not always be possible to cover every topic in depth, students are encouraged to make good use of the course textbook and other relevant bibliography.

#### Theory-into-Practice & Knowledge-Building

Through this theory-into-practice developmental building, there will be a strengthening of specific competencies and instrumental competencies, through the application of the knowledge and techniques acquired to problems, situations and case studies.

Nine sessions of 1.5 hours in which a series of learning activities will be carried out in small groups under the guidance of a professor

Theoretical and practical questions will be covered, along with current financial news, with an aim of applying concepts learned in theory sessions. Special emphasis will be placed on learning involving real-life data. Thus, students are expected to become accustomed to finding and presenting economic data which they will use spreadsheets to analyze. Praxis sessions are designed around three main goals: to consolidate theoretical knowledge acquired through reading the required textbook and attending class; to learn to apply theoretical models to specific real-world problems; to build reasoning and critical thinking skills. Students will be expected to complete several activity packs aimed at making them more aware of their progress as well as of their weaknesses with regard to the comprehension and assimilation of course material. The professor will pay special attention to points students find difficult and focus on key concepts / skills.



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In addition to basic theory, theory-into-practice and guided academic activities, students will have the opportunity to attend personalized tutorials. In these optional sessions, the professor will be available to offer personalized advice regarding study habits and to answer specific questions about the topics being studied. Office hours and tutorials will be announced at the beginning of the course.

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### 7. ASSESSMENT

Call for course:

Student evaluation will be performed on a weighted basis, considering the results obtained on the contents of the Basic Teachings and the Teachings and Practices of Development.

The Basic Teachings will be assessed by examination, which will account for 70% of the grade. Practice Teaching and Development will be assessed by continuous assessment, which may include both evidence and conducting activities (controls, tests, theoretical and practical exercises, active participation in class) either in groups or individually, and will rise to 30% qualification.

Call for recovery:

If the student successfully passed the continuous assessment, the final course grade will be calculated by adding the marks obtained in the continuous assessment (which will mean 30% of the overall grade, as well as the convening of course) with the obtained in the Assessment of the call for recovery of the course (which will mean 70% of the grade).

If the student did not follow the process of continuous assessment, or not successfully passed the continuous assessment, in the call for recovery of the course will be evaluated of all the knowledge and skills contained in the teaching guide, in order to qualify for the 100 % of the course grade.

Although the student has successfully passed the continuous assessment shall be entitled to be assessed on 100% of the course grade expressly waived provided that the qualification obtained in continuous assessment. The student must communicate this in writing to the teacher responsible for the subject with a minimum of 10 days before the conclusion of the evidence, in order to facilitate the organization of the evaluation process by teachers.

Extraordinary call:

In November special session will assess the total knowledge and skills contained in the teaching guide of the previous course, so as to allow eligible for 100% of the full amount of the course grade.



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### 8. BIBLIOGRAPHY

Krugman et al. (2011) International Economics: Theory and Policy (9<sup>th</sup> Edition, Pearson).

Feenstra and Taylor (2011) International Economics (2<sup>nd</sup> Edition, Worth Publishers).

Van Marrewijk (2012) International Economics (2<sup>nd</sup> Edition, OUP).