

Course ECON 390: International Economics (3 credits)

Summer 2020

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Instructor: Artur Dolgoplov
Email: adolgopo@gmu.edu
Duration: Mon. Jun 1 - Wed. Aug 5 (10 weeks, D section)

Last day to add classes	Fri. Jun 5
Last day to drop classes without penalty	Fri. Jun 5
Selective withdrawal period	Wed. Jun 24 - Tue. Jul 7
Exam period	Thu. Aug 6 – Sat. Aug 8

Recommended Prerequisites: ECON 306 and ECON 311 or permission of instructor.

Course Description

Foreign exchange market, balance of payment, foreign trade policies, and theories of international trade.

The class is split into the traditional two parts:

1. **Trade and policy.** The first part of the class covers the basic models of international trade theory and discusses several empirical applications.
2. **Money.** The second part introduces money, interest rates, exchange rate regimes, and their interplay.

The class includes both theory and empirical results, as well as practice problems. We will also look at real-world data and perform a data analysis exercise. No prior experience with statistical software is expected, and all the tools will be provided.

Required Textbooks

Title: International Economics: Theory and Policy

Authors: Paul R. Krugman, Maurice Obstfeld, Marc Melitz

The latest edition is 11 (Pearson Education, 2018), but any recent edition will do.

Additional readings will be posted on the Blackboard.

Course Learning Outcomes

Students will learn how the distinction between “domestic” and “international” is handled in economic models. We will also look at empirical results and get some basic experience building models and calibrating them to data.

By the end of the course students will:

1. Understand the main theoretical approaches to modeling international trade.
2. Be able to use some of these models to answer empirical questions.
3. Understand the international accounts system, exchange rate and capital control regimes, and their effects on the economy.

Tentative Course Schedule

MODULES (Monday-Sunday)	TOPIC/READINGS/VIDEOS	ASSIGNMENTS DUE
Part I: Trade		
Module 1 06/01-06/07	Introduction to the course: patterns of trade, Ricardian model (comparative advantage) <i>(no problem set this week)</i>	<ol style="list-style-type: none">1. Introduce yourself on the discussion board.2. Vote in the poll for the time and day of the weekly online meetings (due 06/03).3. Obtain the textbook.
Module 2 06/08-06/14	Specific Factors model	Quiz #1 (due 06/15)

MODULES (Monday-Sunday)	TOPIC/READINGS/VIDEOS	ASSIGNMENTS DUE
Module 3 06/15-06/21	Heckscher-Ohlin model (factor proportions)	1. Quiz #2 (due 06/22) 2. Pick the paper for review and post your choice (due 06/22)
Module 4 06/22-06/28	Gravity model	<i>Data Exercise (due 07/06)</i>
Module 5 06/29-07/05	Increasing Returns to Scale: Firms in global economy, monopolistic competition	
Module 6 07/06-07/12	Trade Policy: Protectionism and trade barriers, tariffs, quotas, international agreements and negotiations	Quiz #3 (due 07/13)
Part II: Money		
Module 7 07/13-07/19	National Income Accounting & Balance of Payments	
Module 8 07/20-07/26	Exchange Rates and Open Economy	Quiz #4 (due 07/27)
Module 9 07/27-08/02	International Macroeconomic Policy: International monetary systems, crises, international finance	
Module 10 08/03-08/05	Extra topics and pre-exam review	Paper reviews are due 08/03
08/06-08/08	<i>Final exam</i> (online) – date/time TBD	

Assignments Description

1. **Quizzes (40%):** Online quizzes are a mix of multiple-choice and open questions, and mathematical problems. You will have three attempts for each quiz. The highest score will be your grade for that quiz. One lowest quiz score will be dropped. Quizzes are open book.
2. **Paper review (20%):** The list of most recent job market papers in international economics (2019-2020) will be made available during the second week of the class. You will be asked to pick one paper, post the choice on the discussion board to avoid duplicates, and write a 1-page review with a summary and any positive/negative comments. This is meant to be very similar to reviewing a paper for a journal. LaTeX typesetting is encouraged for extra credit. The reviews are due August, 3rd.
3. **Data exercise (10%):** There will be a task that involves studying a dataset in free statistical software, e.g. predicting share of coffee trade across the importing countries. I will show the model and post the complete code on the Blackboard. The task will be to make several tweaks to the model to answer a slightly different question. All the tools will be provided and explained.
4. **Take-home cumulative final exam (30%):** You will have three hours to submit the final exam. The exam is open book.
5. **Attendance is not recorded or counted towards the course grade.**

Course Policies

1. All materials: videos, handouts, assignments, etc. will be posted on the course Blackboard.
2. We will meet once a week through Collaborate Ultra to go over the materials, solve problems, and answer questions. Discord will be the backup in case there is a problem with Collaborate Ultra.
3. You can also follow along asynchronously instead (as long as the assignments are submitted on time).
4. Collaborate Ultra has a chat window. This is best for clarification questions, but for longer questions, you can also use our Discussion board or email me directly.
5. Some familiarity with economic analysis is expected (e.g. ECON 306, ECON 311). However, there will be optional materials for review, and we can schedule extra online meetings to review mathematics or statistics tools, if necessary.

Late Assignments: All assignments must be turned in on the due date. Late assignments will be rejected. If you anticipate delays, please, let me know at least a week in advance.

Instructor-Student Communication: I highly encourage questions either posted publicly on the Discussion Board or sent to me by email, if it is more comfortable. I will respond to your emails within 48 hours. If I will be away from email for more than one day, I will post an announcement in the Blackboard course folder. I also encourage you to respond to other students in the Discussion Board if you know the answer.

Grading Scale

A+ (100-98), A (97-93), A- (92-90), B+ (89-87), B (86-83), B- (82-80), C+ (79-77), C (76-73), C- (72-70), D (69-60), F (59-0)

Technology. You will need a reliable computer and internet access to view course materials in Blackboard.

Blackboard Login Instructions

Access to [MyMason](#) and GMU email are required to participate successfully in this course. Please make sure to update your computer and prepare yourself to begin using the online format BEFORE the first day of class. Check [the IT Support Center](#) website. Navigate to [the Student Support page](#) for help and information about Blackboard. In the menu bar to the left you will find all the tools you need to become familiar with for this course. Take time to learn each. Make sure you run a system check a few days before class. Become familiar with the attributes of Blackboard and online learning.

University Policies and Resources

- a. **Academic Honesty:** You are expected to be familiar with and abide by the University's Honor Code. The Code can be found [here](#). It is your responsibility to see me if you have questions about these policies. George Mason University has an honor code that states the following:
To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University community and with the desire for greater academic and personal achievement, we, the student members of the University Community have set forth this:
- b. Students must follow the university policy for [Responsible Use of Computing](#)
- c. **Student services:** The University provides range of services to help you succeed academically and you should make use of these if you think they could benefit you. I also invite you to speak to me (the earlier the better).

- d. Students are responsible for the content of university communications sent to their George Mason University email account and are required to activate their account and check it regularly. All communication from the university, college, school, and program will be sent to students solely through their Mason email account.
- e. [The George Mason University Counseling and Psychological Services \(CAPS\)](#) staff consists of professional counseling and clinical psychologists, social workers, and counselors who offer a wide range of services (e.g., individual and group counseling, workshops and outreach programs) to enhance students' personal experience and academic performance. Counseling Center: Student Union I, Room 364, 703-993-2380.
- f. Students with disabilities who seek accommodations in a course must be registered with the [George Mason University Office of Disability Services \(ODS\)](#) and inform their instructor, in writing, at the beginning of the semester. All academic accommodations must be arranged through that office. Please note that accommodations MUST BE MADE BEFORE assignments or exams are due. I cannot adjust your grade after the fact.
- g. Students must follow the university policy stating that all sound emitting devices shall be turned off during class unless otherwise authorized by the instructor.
- h. [The George Mason University Writing Center](#) staff provides a variety of resources and services (e.g., tutoring, workshops, writing guides, handbooks) intended to support students as they work to construct and share knowledge through writing. University Writing Center: Robinson Hall Room A114, 703-993-1200. The writing center includes assistance for students for whom English is a second language.
- i. [Diversity](#): George Mason University promotes a living and learning environment for outstanding growth and productivity among its students, faculty and staff. Through its curriculum, programs, policies, procedures, services and resources, Mason strives to maintain a quality environment for work, study and personal growth.