

IR292: Fundamentals of International Economics

Spring 2014

Tuesday, Thursday, 9:30 to 11 am (CAS 224)

Prof. Kevin P. Gallagher
Office: 154 Bay State Road
Office Hours: Tues, 1:00-2:30

Teaching Fellows:

1. **Jesse Turiel** <jsturiel@bu.edu>.

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Location: TF office in STO 432

Course Overview

Description:

The objective of this course is to provide students in international relations with a basic economic understanding of globalization and the functioning of the global economy. The course addresses the economic theory, tools, and institutions that underpin international relations, trade, and finance. Students will gain a working knowledge of the basic principles and tools of economics to understand and to analyze major questions and trends in the global economy. Such analytic knowledge is central to a successful career in international relations, and a fundamental literacy in economics is therefore of critical importance in the preparation of future leaders in this field.

Prerequisites: [CAS EC 101](#) and [CAS EC 102](#).

Text:

Books

Gerber, James (2013). *International Economics* (Sixth Edition). Addison Wesley.

Rodrik, Dani (2012), *The Globalization Paradox*, New York, Norton.

Grading and Dates:

Assignment	Value	Due dates
Class Attendance	20%	Each Class and In Section
Discussion Attendance-Participation	10%	In Section
Homework	10%	In Section
Exam 1	30%	March 6
Exam 2	30%	May 1

Course Requirements and Policies

Exams

There will be two exams administered in this course. Make up exams *will not* be given without a dean's excuse in which case an oral make up will be administered. *No exceptions to the policy will be made.*

Homework

Each week students will hand in typed homework assignments due at the beginning of Section. Students are required to type homework for each of the "Study questions" that correspond to each chapter assigned for that week.

Participation

Attendance in Discussion Section is mandatory. Due to the large class size it is vital that you attend the Section for which you are enrolled. You will not receive credit for attending a Section in which you are not an enrolled student. Missing more than three Classes will result in a deduction from your grade.

Participation credit is given based upon the degree to which a student contributes positively to discussion of material. Students who rarely, or never, speak in discussion will receive no participation credit.

Academic Honesty:

A BU-wide academic code was introduced September 1, 2011. Any violations of the academic conduct code are taken very seriously, and plagiarism or academic dishonesty of any sort will not be tolerated. Any effort to affect a student's grade or standing in the class through deception is a form of academic misconduct. Read online the CAS Academic Conduct Code for further information about specific definitions, procedures, sanctions, and other aspects: <http://www.bu.edu/academics/>. I am required by university policy to refer cases of suspected academic misconduct to the Dean's Office.

Course Schedule

Class	Date		TOPIC/Homework
1	Jan	16	Introduction to Course
INTERNATIONAL TRADE			
2		21	Introduction to the U.S. and the Global Economy Gerber Chapter 1
3		23	Introduction to the U.S. and the Global Economy
		28	International Economic Institutions Since WWII: IMF and the World Bank Gerber Chapter 2
4		30	International Economic Institutions Since WWII: WTO and RTAs/BITs
5	Feb	4	The Economics of International Trade: Comparative Advantage and the Gains from Trade Gerber Chapter 3
6		6	The Economics of International Trade: Comparative Advantage and the Gains from Trade
7		11	The Economics of International Trade: Comparative Advantage and Factor Endowments Gerber Chapter 4
8		13	The Economics of International Trade: Comparative Advantage and Factor Endowments
9		18	The Economics of International Trade: Tariffs and Quotas Gerber Chapter 6
		20	The Economics of International Trade: Tariffs and Quotas
10		25	The Economics of International Trade: Beyond Comparative Advantage Gerber Chapter 5, 7
11		27	The Economics of International Trade: Commercial Policy
12	Mar	4	The Economics of International Trade: Labor and Env. Standards Gerber Chapter 8
13		6	EXAM 1
14		8-16	SPRING BREAK!!!!!!!!!!!!!!!
INTERNATIONAL FINANCE			
15		18	The Economics of International Finance: Trade and the Balance of Payments Gerber Chapter 9
16		20	The Economics of International Finance: Trade and the Balance of Payments
17		25	The Economics of International Finance: The Economics of International Finance: Exchange Rates and Currency Markets Gerber Chapter 10
18		27	The Economics of International Finance: The Economics of International Finance: Exchange Rates and Currency Markets
19	April	1	The Economics of International Finance: Open Economy Economics Gerber Chapter 11
20		3	International Financial Crises: FILM THE CRASH
21		8	International Financial Crises

			Gerber Chapter 12
--		10	International Financial Crises
22		15	Latin America Gerber Chapter 15
23		17	East Asia Gerber Chapter 16
24		22	BRICS Gerber Chapter 17
25		24	NO CLASS!!!
26	May	2	EXAM 2
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Discussion and Homework Outline

Class	Date		Assignments-Debates
1	Jan	17	Skip it!
2		24	Gerber Chapter 1 (questions 2-4); Rodrik Chapter 1
3		31	Gerber Chapter 2 (questions 3-5); Rodrik Chapter 2 and 10
	Feb	7	Gerber Chapter 3 (question 1 parts a-e + question 3); Rodrik Chapter 4
4		14	Gerber Chapter 4 (questions 1,2,4); Rodrik Chapter 3
5		21	Gerber Chapter 6 (questions 1 and 3), Rodrik Chapter 8
6		28	Gerber Chapter 5(1,6,7), Chapter 7(4 +5), Chapter 8(2,5,6,9); review for EXAM
7	March	7	NO DISCUSSION SECTION
8		21	Gerber Chapter 9 (questions 2 and 3); Rodrik Chapter 5
9		28	Gerber Chapter 10 (questions 1 and 3); Rodrik Chapter 6
10	April	4	Gerber Chapter 11; Rodrik Chapter 9
11		11	Gerber Chapter 12 (questions 1,2,7)
12		18	Gerber Chapter 15; Rodrik Chapters 11 and 12
13		25	Gerber Chapter 17; EXAM review

