



## **International Economics**

**Course Code: EE (204)**

**Spring 2019**

### **Course Description**

International Economics is concerned with the flow of commodities, services, and factors of production across national boundaries. It analyses the economic implications of these flows from both the theoretical and empirical perspectives on host and home countries.

### **Course Prerequisites**

Students should be familiar with macro and micro economic tools and models they have learned in macroeconomics and microeconomics courses.

### **Intended Learning Outcomes ILOs**

On successful completion of this course, students are expected to:

1. Understand basic concepts, relations, and dynamics in the area of International Economics from both a theoretical as well as practical levels.
2. Get acquainted with important facts about the global economy and international economic institutions, with an emphasis on Egypt.
3. Acquire the theoretical, empirical and policy base required for understanding key issues of international trade and finance and their role in the world economy.
4. Use analytical tools to analyze international economic interactions and real cases that affect consumers, businesses, economic policy and the economy in general; while communicating this information clearly in appropriate forms (e.g. prose, mathematical expressions, tables and graphs) and using appropriate specialized terminology.

### **Lectures (Group 1)**

Monday: 3:00 - 4:30 pm

Wednesday: 3:00 - 4:30 pm

**Instructor:** Dr. Ashraf Samir

Office hours: Sunday 3:00-5:00 p.m., or upon appointment - Office 81 - FEPS Building – 4<sup>th</sup> Floor.

## **Conduct of Ethics within class**

Ringling mobile phones during class time is prohibited. Side talks are not welcomed. Cheating during exams is penalized.

## **Assessment**

The overall grade for the course depends on both performance during the semester (50%) and performance in the final comprehensive exam (50%).

## **Distribution of grades will be as follows:**

Quizzes and Class work: held during the whole semester (30 marks)

Mid-Term Exam: held within April, 2018 (20 marks)

Final comprehensive exam: held in June 2018 (50 marks)

## **Learning Resources:**

Textbook: Salvatore, Dominick ( 2011), *International Economics*, 10<sup>th</sup> edition, Wiley Inc.

## **Course Content**

### **1. Introduction:**

- Importance of International Economics.
- International Trade and the nation's standard of living.
- The subject matter of International Economics.

**Salvatore, D. (2011): chapter 1.**

### **2. Trade Theory: Traditional and New**

- Absolute and Comparative Advantage.
- The Factor-Proportion Model.
- Factor-price Equalization Theorem.
- Empirical Tests of the Heckcher-Ohlin Model.
- Economies of Scale, Imperfect Competition, and International Trade.
- Technology-based trade Theories.
- Inter-Industry Trade and Intra-Industry Trade.

**Salvatore, D. (2011): chapter 2,3,4,5 and 6.**

### **3. Trade Policy**

- Concept of Trade Policy.
- Trade Restrictions: Tariffs.
- Partial Equilibrium analysis of a tariff.
- The Theory of Tariff Structure.
- The Optimum Tariff.
- Non-Tariff Trade Barriers and the new protectionism.

- Strategic Trade and Industrial Policies.  
**Salvatore, D. (2011): chapter 8 and 9.**

#### **4. Economic Integration: Customs Union and Free Trade Areas**

- The degree of Economic Integration.
- Trade-Creating custom union.
- Trade-Diverting custom union.
- Dynamic Benefits from custom union.  
**Salvatore, D. (2011): chapter 10**

#### **5. The Balance of Payments**

- Balance of Payments Accounting Principles.
- Balance of payment components.
- Equilibrium in the Balance of payment.  
**Salvatore, D. (2011): chapter 13**

#### **6. Exchange Rate and Foreign Exchange Markets**

- Functions of the Foreign Exchange Markets.
- Cross exchange Rates.
- Arbitrage
- Foreign Exchange and the Central Bank  
**Salvatore, D. (2011): chapter 14**

*Best regards.....*