

Department of Economics
Ryerson University
Winter 2006

IBS 601

International Business: Introduction to International economics

INSTRUCTOR

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LECTURE HOURS AND LOCATION

Thursdays 12:00 – 3:00 p.m., ENG LG 04

OFFICE HOURS

Thursdays 3:00-4:00 p.m.

COURSE WEBPAGE

Click on the link for this course posted on the instructor's website:

<http://qed.econ.queensu.ca/pub/students/khans/> .

The course outline, optional assignment questions, solutions to optional assignments and solution to mid-term exam will be posted on the course webpage. Important announcements concerning the course will also be posted there.

COURSE DESCRIPTION

This course introduces students to the theory and policy of international trade. The course examines why nations trade and why at the same time many countries try to limit trade by introducing trade barriers. The course will look critically at the welfare and profit implications of trade policy deviations from free trade. It looks at the role of the WTO and discusses the issue of multilateralism and regionalism in world trade with particular emphasis on the North American Free Trade Agreement and the European Union. The course also introduces the theory of exchange rates and looks at the issues surrounding international policy coordination.

Prerequisites: ECN 104 and ECN 204, or equivalents

Exclusions: ECN 606 and ECN 707

REQUIRED TEXT

Introduction to International Economics, 1st Edition, 2005, Dominick Salvatore, John Wiley & Sons, Inc., ISBN 0471202266 [S]

TEXTBOOK WEBSITE

www.wiley.com/college/salvatore

SUPPLEMENTARY TEXT

International Economics, 3rd Edition, 2005, James Gerber, Addison-Wesley, ISBN 032123796. [G]

SUPPLEMENTARY TEXTBOOK WEBSITE:

www.aw-bc.com/gerber

EVALUATION

Optional Assignments (You do NOT have to Submit)	0%
Mid-term Exam	40%
Final Exam (Comprehensive)	60%

The course grade will be determined by the following rule:

Course Grade = maximum {(40% of Midterm + 60% Final), 100% of Final}

For information on the Department of Economics policies re: essays, assignments, missed tests, etc., see www.ryerson.ca/econ

TIPS TO DO WELL IN THIS COURSE

- Attend all the lectures and actively participate in class. Feel free to ask as many questions as you want in the class. There is no 'stupid question' in my class.
- Read the textbook and other assigned readings between the lines and go through your lecture notes from the class. If you have any questions, please ask me during my office hours.
- Do all the optional assignments. Assignments are meant for helping you understand the course materials and prepare you for the exams.
- Go through the solutions to all assignments and mid-term carefully. If you face any problems, feel free to stop by during my office hours.

COURSE OUTLINE AND LECTURE PLANS
(Reference codes refer to the texts mentioned above)

Date	Topic	References/ Comments
Jan 12, 2006	Introduction; Comparative Advantage; The Standard Trade Model	S: Ch 1, 2, 3 G: Ch 3
Jan 19, 2006	The Hecksher-Ohlin and Other Trade Theories	S: Ch 4 G: Ch 4,5
Jan 26, 2006	International Trade Policy – Tariff and Nontariff barriers;	S: Ch 5, 6 G: Ch 6
Feb 2, 2006	The Political Economy of Protectionism; Commercial Policy; The Balance of Payments	S: Ch 6, 10 G: Ch 7, 9
Feb 9, 2006	The Foreign Exchange Market and Exchange Rates; Exchange Rate Determination	S: Ch11, 12 G: Ch10
Feb 17, 2006	MID-TERM EXAM; An Introduction to Open economy Macro	G: Ch 11
Feb 23, 2006	No lecture	Reading week
March 2, 2006	Automatic Adjustments with Flexible and Fixed Exchange Rates; Adjustment Policies	S: Ch 13, 14
March 9, 2006	Flexible versus Fixed Exchange Rates, European Monetary System, and Macroeconomic Policy Coordination	S: Ch 15
March 16, 2006	International Monetary System: Past, Present, and future	S: Ch 16
March 23, 2006	The WTO, Multilateralism and Regionalism	G: Ch 2 S: Ch 7
March 30, 2006	Economic Integration in North America	G: Ch 13
April 7, 2006	The European Union: Many Markets into One	G: Ch 14
April 14, 2006	Growth and development with international trade	S: Ch 8

Note: Additional readings, if necessary, will be assigned during the semester.