

Syllabus International Economics

2 SWS Lecture & 2 SWS Übung - 5 ECTS

Lecture: Thursday, 3-4:30 pm, via Zoom, starting on November 5, 2020
Tutorial: Via Zoom. Details will be announced in due time.

Office hours: By appointment

Motivation

The course "International Economics" is mandatory for the following studies/specializations: "Wirtschaftswissenschaften, Schwerpunkt VWL" and "International Business Studies." Students from other specializations are welcome to participate, as long as they can enroll for the exam in "Mein Campus."

Due to student requests in the past and a new composition of lecturers, the course can be taught in English. This will be discussed during the first session.

The first part of the lecture tackles open economy macroeconomics. Important topics are exchange rate determination, international business cycles, the European Monetary Union and financial crises.

The second part of the lecture deals with international trade. The main concepts and models of trade will be developed and their empirical relevance discussed, including the concept of comparative advantage, the Heckscher-Ohlin model and the role of firms in trade.

Structure

Part 1: Open Economy Macroeconomics

- 1.1 National Income Accounting and the Balance of Payments
- 1.2 Case Study: The ECB and Target 2
- 1.3 Interest Rate Parity
- 1.4 Stabilization Policies in the Open Economy
- 1.5 Case Study: Fiscal Multiplier
- 1.6 Optimum Currency Areas and the Euro
- 1.7 Developing Countries and Financial Crises

Part 2: International Trade

- 2.1 Introduction and World Trade
- 2.2 Comparative Advantage: The Ricardian Model
- 2.3 The Heckscher-Ohlin Model
- 2.4 Economies of Scale and International Trade
- 2.5 Instruments of Trade Policy

Exam

Grading will be based on a 60-minute final exam, which will be scheduled by the examination office.

References

Both parts will be based on the textbook Krugman/Obstfeld/Melitz, 2017, International Economics: Theory and Policy, global edition, paperback, Pearson. Alternatively, the German translation can be used. The textbook will be supplemented by additional materials.