

## **Economics 460: International Economics**

Section: 001

Summer 2008

Class Time: 8:00am-9:30am, MTWRF

Place: Gardner 209

Instructor: Amos Peters

Office: 102A Phillips Hall Annex

Office Hours: Tuesday and Thursday, 9:45-11:00pm

E-mail: [acpeters@email.unc.edu](mailto:acpeters@email.unc.edu)

**Course Description:** Economics 460 is an introduction to the fundamental principles and methods in international economics. The goal is to develop an advanced understanding of principle features of the international economy. To do so we will adopt a holistic approach, first starting with observation of key stylized facts. The course will then go on to construct several analytical models that help us to understand the complex global economy we live in.

International economics is distinguished from other branches of economics primarily by the nature of the policy environment. Standard economic analysis examines consumers and firms operating within the same commercial and legal framework. By contrast, transactions across borders involve different commercial policies. Transactions may involve different currencies, different rates of taxation, different safety and product standards, and various restrictions. As a result national borders, national currency, national governments all affect international economic activity and influence market outcomes worldwide. International economics can be split into two components, the first is international trade which addresses theoretical approaches to international trade in goods and services, and the second is international finance which addresses financial flows, exchange rates, and macroeconomic policy in an open economy. First we will study international trade relations and then we will study international financial relations. As a student of the international economics, it is critical to have a working knowledge of the geography of the world. The course will explore the location, production structure, and financial arrangements of various countries across the globe.

**Prerequisites:** ECON 310 (100) or ECON 410 (101). This course assumes that you have taken at least once course in intermediate microeconomics. Some background in intermediate macroeconomics is helpful but not required.

**Required Text:** Appleyard, Field and Cobb, International Economics, (Sixth Edition, 2008), McGraw-Hill Irwin.

The textbook is also accompanied by a comprehensive website that is a good source of practice problems. The web address is [www.mhhe.com/appleyard6e](http://www.mhhe.com/appleyard6e)

Additional readings and assignments will be posted on blackboard.

**Exams and Grading:** There will be a two midterm exams and a final exam

Problem Sets	25 percent
Midterm Exam 1	25 percent
Midterm Exam 2	25 percent
Final Exam	25 percent

Late assignments will not be accepted. You will have two (2) midterm exams and a final, all equally weighted. No makeup exams will be offered. Students missing either midterm will have the weight from that exam automatically applied to their final exam. A student's final exam **may** replace one or both midterm scores in the final grade calculation. You will be given problem sets to practice what you have learnt in class. One of the benefits of doing the problem sets is that they help you to understand the material. The importance of doing the problem sets cannot be overemphasized. Most students are unable to understand the material well by only reading the text and reviewing class notes.

**Honor Code:** You are reminded that the Honor Code is in effect for all academic work at the University. You are expected to do your work in a manner consistent with the guidelines of the Honor System. Before the exams and the graded assignments, we will discuss your specific responsibilities under the Honor Code. (<http://instrument.unc.edu>)

The following course outline lists the topics we will cover and the corresponding readings. Lectures and readings, while generally not identical, will be complementary; understanding them both will greatly enhance your probability of success in this course. Because of the large number of topics covered in this course, it is important to stay current with assigned readings.

**Course Outline and Schedule of Readings (Tentative-use only as a guide) :**

Dates			Text Assignments	Topic
R	Jun	19	Chapter 1	Course Introduction
F	Jun	20	Chapter 2	Early Trade Theories
M	Jun	23	Chapter 3	Classical (Ricardian) Model of Trade
T	Jun	24	Chapter 4	
W	Jun	25	Chapter 5	Neoclassical Trade Theory
R	Jun	26	Chapter 6	
F	Jun	27	Chapter 7	
M	Jun	30	Chapter 8	
T	Jul	1	Chapter 10	Alternative Trade Theories
W	Jul	2	Chapter 12	Factor Movements
R	Jul	3	Chapter 13	Trade Policy Instruments <i>(Likely Midterm Date)</i>
<b>F</b>	<b>Jul</b>	<b>4</b>	<b>INDEPENDENCE</b>	<b>HOLIDAY</b>
M	Jul	7	Chapter 14	Trade Policy Effects
T	Jul	8	Chapter 15	
W	Jul	9	Chapter 19	Balance of Payments
R	Jul	10	Chapter 20	Exchange Rates in the short run
F	Jul	11	Chapter 22	Exchange Rates in the long run
M	Jul	14	Chapter 22	
T	Jul	15	Chapter 24	Keynesian Open Economy Models
W	Jul	16	Chapter 25	Macro Policy with Fixed rates
R	Jul	17	Chapter 26	Macro Policy with Flex rates
F	Jul	18	Chapter 27	AS-AS in an open economy
M	Jul	21	Readings TBA	Financial Crisis
T	Jul	22	LAST CLASS	Financial Crisis
W	Jul	23		
R	Jul	24		
<b>F</b>	<b>Jul</b>	<b>25</b>	<b>FINAL EXAM</b>	<b>8:00AM-11:00AM</b>

**Economics 420: Intermediate Theory: Money, Income, and Employment**

Section: 004

Spring 2007

Class Time: 3:00pm-3:50pm, MWF

Place: Gardner 309

Instructor: Amos Peters

Office: 300E Hanes Hall

Office Hours: Thursday, 1:00-3:00pm

E-mail: [acpeters@email.unc.edu](mailto:acpeters@email.unc.edu)

**Course Description:** Economics 420 is an introduction to the fundamental principles and methods in modern macroeconomics. The goal is to develop an advanced understanding of how key macroeconomic variables such as inflation, unemployment, and national income are determined and how they behave. We want to understand why some countries are exceedingly rich while others are exceedingly poor, why there are fluctuations in aggregate economic activity throughout history, what are the causes of inflation and unemployment, and what if anything, the government can do through fiscal and monetary policy to improve the economy? This course takes a holistic and scientific approach to macroeconomics starting with observation and measurement of macroeconomic variables. The course then goes on to construct several macroeconomic models that help us understand how the macro economy works and enables us to address the aforementioned questions and make policy suggestions. Throughout this course microeconomic principles are emphasized.

**Prerequisites:** Calculus and Introduction to Economics. Intermediate Microeconomics is highly recommended.

**Required Text:** Stephen D. Williamson, *Macroeconomics* (Second Edition, 2005), Pearson Addison Wesley.

**Exams and Grading:** There will be a two (2) midterm exams and a final exam

Problem Sets (4 to 5)	15 percent
Pop Quizzes & Participation	5 percent
Midterm Exams 1 and 2	40 percent
Final Exam	40 percent
Extra Credit (To be determined)	5 percent

You will have two (2) midterm exams. I will select the better score of the two exams. If you miss one midterm exam, the other midterm exam will count toward your final grade. If you miss both exams, this will count as zero. Only in very exceptional circumstances will the final exam be re-weighted to account for missing both midterm exams. You will be given problem sets to practice what you have learnt in class. One of the benefits of doing the problem sets is that they help you to understand the material. The importance of doing

the problem sets cannot be overemphasized. Most students are unable to understand the material well by only reading the text and reviewing class notes.

**Honor Code:** You are reminded that the Honor Code is in effect for all academic work at the University. You are expected to do your work in a manner consistent with the guidelines of the Honor System. Before the exams and the graded assignments, we will discuss your specific responsibilities under the Honor Code. (<http://instrument.unc.edu>)

The following course outline lists the topics we will cover and the corresponding readings. Lectures and readings, while generally not identical, will be complementary; understanding them both will greatly enhance your probability of success in this course.

**Course Outline and Schedule of Readings (Tentative-use only as a guide) :**

Dates	Text Assignments	Topic
Wed Jan 10	Math Review	Optimization in Economics
Fri Jan 12	Math Review	Optimization in Economics
<b>Mon Jan 15</b>	<b>Martin Luther King Holiday</b>	
Wed Jan 17	Chapters 1,2	Introduction
Fri Jan 19	Chapters1,2	Measurement
Mon Jan 22	Chapters 1,2	Measurement
Wed Jan 24	Chapter 3	Business Cycle Measurement
Fri Jan 26	Chapter 3	Business Cycle Measurement
Mon Jan 29	Chapter 4	Consumer & Firm Behavior: The Work-Leisure Decision & Profit Maximization
Wed Jan 31	Chapter 4	
Fri Feb 02	Chapter 4	
Mon Feb 5	Chapter 5	A Closed Economy 1 Period Macro Model
Wed Feb 7	Chapter 5	
Fri Feb 9	Chapter 5	
Mon Feb 12	Chapter 8	A 2 Period Model: The Consumption-Savings Decision & Ricardian Equivalence
Wed Feb 14	Chapter 8	
Fri Feb 16	Chapter 8	
Mon Feb 19	Chapter 9	A Real Intertemporal Model with Investment
Wed Feb 21	Chapter 9	
Fri Feb 23	Chapter 9	
Mon Feb 26	Chapters 9	
Wed Feb 28	Chapters 1,2,3,4,5,8,9	Review
<b>Fri Mar 02</b>	<b>Midterm Exam 1</b>	

Mon Mar 05	Chapter 13	International Trade in Goods & Assets
Wed Mar 07	Chapter 13	
Fri Mar 09	Chapter 13	
	<b>Spring Break-No Class</b>	
Mon Mar 19	Chapter 10	A Monetary Intertemporal Model: The Neutrality of Money
Wed Mar 21	Chapter 10	
Fri Mar 23	Chapter 10	
Mon Mar 26	Chapter 14	Money in the Open Economy
Wed Mar 28	Chapter 14	
Fri Mar 30	Chapter 14	
Mon Apr 02	Chapter 15	Money, Inflation & Banking
Wed Apr 04	Chapter 15	
Fri Apr 06		Review
<b>Mon Apr 09</b>	<b>Midterm Exam 2</b>	
Wed Apr 11	Chapter 6	Neoclassical Growth Theory
Fri Apr 13	Chapter 6	
Mon Apr 16	Chapter 6	
Wed Apr 18	Chapter 7	Endogenous Growth Theory
Fri Apr 20	Chapter 7	
Mon Apr 23	Chapter 7	
Wed Apr 25	In class discussion	
Fri Apr 27		Review
<b>Mon May 07</b>	<b>Final Exam 4:00pm-7:00pm</b>	

## **Economics 360: Survey of International and Development Economics**

Section: 001

Spring 2009

Class Time: 3:00pm-3:50pm, MWF

Place: Gardner 209

Instructor: Amos Peters

Office: 102A Phillips Hall Annex

Office Hours: Monday, 12:30-2:30pm

E-mail: [acpeters@email.unc.edu](mailto:acpeters@email.unc.edu)

**Course Description:** Economics 360 is a survey of the twin fields of international and development economics. The course aims to introduce fundamental principles and theories in international and development economics. Rather than focus on abstract theory and methods, the course will provide a broad survey of topics, focusing on the formulation and implementation of policy and identifying associated tradeoffs. International economics concerns the flow of commodities, services, and productive factors (labor and capital) across national borders. Development economics is concerned with the qualitative and quantitative improvement of life and living conditions. The course will integrate trade and finance with development, analyzing how the former relates to the latter. As a student of international/development economics, it is critical to have a working knowledge of the geography of the world. The course will explore the location, production structure, and financial arrangements of various countries across the globe.

**Required Text:** Mordechai E. Kreinin, *International Economics: A Policy Approach* (Tenth Edition, 2006), Thomson South-Western.

### **Supplementary Readings:**

Trade and Development Report, 2008 ([www.unctad.org](http://www.unctad.org))

Human Development 2008: Fighting climate change: Human solidarity in a divided world ([www.undp.org](http://www.undp.org))

**Exams and Grading:** There will be a one midterm exam and a final exam

Quizzes	20 percent
Midterm Exam1	20 percent
Midterm Exam 2	20 percent
Final Exam	40 percent

You will have two midterm exams and one final exam. I will select the better of your two midterms for inclusion in your final grade (i.e weighted at 40 percent). Only in very exceptional circumstances will the final exam be re-weighted to account for missing the midterm exam. Quizzes may or may not be given without announcement. The number of quizzes given throughout the semester is not given.

**Honor Code:** You are reminded that the Honor Code is in effect for all academic work at the University. You are expected to do your work in a manner consistent with the guidelines of the Honor System. Before the exams and the graded assignments, we will discuss your specific responsibilities under the Honor Code. (<http://instrument.unc.edu>)

The following course outline lists the topics we will cover and the corresponding readings. Lectures and readings, while generally not identical, will be complementary; understanding them both will greatly enhance your probability of success in this course. Because of the large number of topics covered in this course, it is important to stay current with assigned readings.

**Course Outline and Schedule of Readings (Tentative-use only as a guide) :**

Dates	Text Assignments	Topic
Mon Jan 12		Introduction
		Introduction
	Chapter 1	
	Chapters 1	
	Chapters 2	
<b>Mon Jan 19</b>	<b>Holiday</b>	
	Chapter 2	
	Chapter 3	
	Chapter 3	
	Chapter 4	
	Chapter 4	
	Chapter 5	
	Chapter 5	
	Chapter 6	
	Chapter 6	
	Chapter 7	
	Chapter 7	
	Chapter 8	
	Chapter 8	
	Chapter 9	
	Chapters 9	
		Review
<b>Fri Feb 20</b>	<b>Midterm Exam 1</b>	
	Chapter 10	

	Chapter 10	
Mon Mar 09	<b>Spring Break-No Class</b>	
Wed Mar 11	<b>Spring Break-No Class</b>	
Fri Mar 13	<b>Spring Break-No Class</b>	
	Chapter 11	
	Chapter 12	
	Chapter 13	
	Chapter 13	
<b>Fri Mar 20</b>	<b>Midterm Exam 2</b>	
	Chapter 14	
	Chapter 14	
	Chapter 16	
	Chapter 16	
<b>Fri Apr 10</b>	<b>Holiday</b>	
	Applications to Trade and Development	
	-Fighting Climate Change	
	-Trade and Development Report, 2008	
Mon Apr 27		Review
<b>Mon May 4</b>	<b>Final Exam 4:00pm-7:00pm</b>	