



## Course and Examination Fact Sheet: Spring Semester 2020

### 6,256: International Economics (BVWL)

ECTS credits: 6

#### Overview examination/s

(binding regulations see below)

Decentral - Written examination (50%, 90 mins.)

Decentral - Written examination (50%, 90 mins.)

#### Attached courses

Timetable -- Language -- Lecturer

[6,256,1.00 International Economics \(BVWL\)](#) -- Englisch -- [Pisch Frank](#)

#### Course information

#### Course prerequisites

A very good command of microeconomics is mandatory (level Microeconomics II). In exceptional circumstances students may contact the course manager and discuss whether they meet this requirement even if they have not taken, or not performed very well, in Microeconomics II.

#### Learning objectives

The objective of this course is to familiarise students with an important class of conceptual frameworks that have been used to understand real and monetary aspects of the globalised world (see course content). Students will be able to understand and explain the main empirical patterns of international trade and macro using these theoretical models. The first objective is therefore to endow students with a strong conceptual foundation, so that they are ready to build on it in graduate level courses in the field.

Moreover, students will be able to evaluate the impact of trade restrictions and changes in the international monetary system on the global economy and individual countries. In addition to pure conceptual knowledge, students will thus sharpen their analytical skills - to think about the world using the most important tools available to us.

#### Course content

This course provides a state-of-the-art foundation in International Economics required for top level master courses in this field. In the first part, we cover the history of neoclassical thinking about international trade flows, inequality, and welfare. On this basis we study international trade policy instruments, i.e. their mechanics and consequences. The topics we cover are

- Patterns of International Trade and Comparative Advantage
- The Ricardian Model
- The Specific-Factors Model
- The Heckscher-Ohlin Model
- Economies of Scale Models
- International Trade Policy

In the second part of the course we establish a solid understanding of the international monetary system and its interaction with the macroeconomy (international macro/international finance). An introductory section about the balance of payments and the most commonly used conceptual frameworks of policy analysis is followed by an extensive overview of the history of the international monetary system and of optimum currency areas. In particular, we cover

- The Current Account
- The Monetary Model



- The Mundell-Fleming Model
- Fixed Exchange Rate Regimes
- Models of Currency Crises
- Optimum Currency Areas

Throughout, the course establishes connections to empirical evidence and to the topical discussions surrounding trade wars, decoupling, as well as expansionary monetary policy and imbalances in the Euro area.

## Course structure

We alternate between lectures (exposition by the lecturer, group work, case studies) and problem set solving (typically revision and application of conceptual model to real life questions). The rhythm follows the logical structure of the course and is detailed on StudyNet.

## Course literature

Krugman, Paul R., et al. "International Economics: Theory and Policy", 11<sup>th</sup> Global Edition, Pearson Education Limited, 2017. *Free electronic version available via the HSG Library.*

## Additional course information

None

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/2)

##### Examination time and form

Decentral - Written examination (50%, 90 mins.)

##### Remark

Midterm Exam

##### Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

##### Supplementary aids

None

##### Examination languages

Question language: English

Answer language: English

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#### 2. Examination sub part (2/2)



## Examination time and form

Decentral - Written examination (50%, 90 mins.)

## Remark

Final exam

## Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

## Supplementary aids

None

## Examination languages

Question language: English

Answer language: English

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## Examination content

The midterm exam will contain questions on the international trade part, while the final exam will cover the international macro part. No additional literature is examinable, lecture slides and problem sets provide the basis for all examinations.

The exams will be split between multiple choice questions (examples of which will be included in the problem sets) and short analyses by means of diagrams with short elaborations.

## Examination relevant literature

None



### Please note

Please note that this fact sheet alone is binding and has priority over any other information such as StudyNet (Canvas), personal databases or faculty members' websites and information provided in their lectures, etc.

Any possible references and links within the fact sheet to information provided by third parties are merely supplementary and informative in nature and are outside the University of St.Gallen's scope of responsibility and guarantee.

Documents and materials that have been submitted no later than the end of term time (CW21) are relevant to central examinations.

Binding nature of the fact sheet:

- Information about courses and examination time (central/decentral) and examination type starting from the beginning of the bidding on 23 January 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for decentral examinations after the 4th semester week on 16 March 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for central examinations as from the starting date for examination registration on 6 April 2020

Please consult the fact sheet again after these deadlines have expired.