



## Course and Examination Fact Sheet: Autumn Semester 2017

### 7,374: Economic Fundamentals of International Relations

ECTS credits: 6

#### Overview examination/s

(binding regulations see below)

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

Decentral - Presentation (in groups - all given the same grades) (30%)

Decentral - Active participation (20%)

#### Attached courses

Timetable -- Language -- Lecturer

[7,374,1.00 Economic Fundamentals of International Relations](#) -- Englisch -- [Föllmi Reto](#) , [Legge Stefan](#)

#### Course information

#### Course prerequisites

Students should be familiar with basic macroeconomics and basic empirical methods like linear regression.

#### Course content

Globalization has been a key theme of the twentieth and twenty-first centuries. Both technical progress and the reduction of political barriers have caused international trade to reach unprecedented levels. This course offers a comprehensive introduction to the fundamental economic concepts to understand the causes and consequences of globalization. It provides both the theoretical foundations why countries trade with each other as well as the key concepts of recent empirical methods to evaluate research in international economics.

The first part of the course comprises five lectures of four hours and serves as an introduction to the key concepts of international economics and current empirical methods in the field. In the second part, students are expected to familiarize with these key concepts by preparing a presentation that will be held as a block course on three days. The first part of the course provides an introduction to the theoretical and empirical fundamentals of international economics. It consists of five sections. In the first two sections, we will introduce theories that attempt to explain why countries trade with each other. We will learn about the gains from trade and how these gains are distributed. In the third section, the course will present monetary aspects of globalization by exploring the causes of changes in the exchange rates, the effects of exchange rate regimes, the nature of currency crises, and the structure of global capital imbalances. In the fourth section, the course will cover the political economy of trade policies, namely the politics of trade agreements, income inequality, and international migration. In the fifth section, we will introduce the methodological foundations of empirical international economics. The second part of the course is a two-day block



course and covers student presentations of recent empirical research articles.

In this course, students will learn the major causes and consequences of globalization. The class will deepen their understanding of international economics and thereby provides a key asset for jobs in international organizations, the diplomatic service, and international firms. Students will engage in discussing the plausibility and applicability of explanations why countries trade. In addition, they will critically assess recent empirical contributions in the field of international economics.

## Course structure

From a total of five lectures of four hours within the contact studies part, eight hours are devoted to trade theory, four hours cover the monetary aspects of international economics, four hours are devoted to the political economy of trade, and four hours cover empirical methods in the field of international economics.

The independent studies support and complement the material discussed during the lectures with student presentations. During special seminar meetings, which are an integral part of this course, students will present recent empirical evidence on applied topics in international economics.

## Course literature

- Angrist, Joshua D. and Jörn-Steffen Pischke (2009). "Mostly Harmless Econometrics: An Empiricist's Companion". Princeton: Princeton University Press.
- Krugman, Paul R., Obstfeld, Maurice and Marc J. Melitz (2014). "International Economics - Theory and Policy", 10<sup>th</sup> edition, Global Edition, Pearson, Essex, England
- Obstfeld, Maurice and Ken Rogoff (1996), "Foundations of International Macroeconomics", MIT Press



- Wooldridge, Jeffrey (2013). "Introductory Econometrics – A Modern Approach", 5th edition, South Western Cengage Learning.

## Additional course information

Please refer to the comprehensive course syllabus for additional information.

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/3)

##### Examination time and form

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

##### Remark

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##### 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

Pocket Calculator of the TI-30 series.

#### Examination languages

Question language: English

Answer language: English

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## 2. Examination sub part (2/3)

#### Examination time and form

Decentral - Presentation (in groups - all given the same grades) (30%)

#### Remark

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#### Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

#### Supplementary aids

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#### Examination languages

Question language: English

Answer language: English

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## 3. Examination sub part (3/3)

#### Examination time and form

Decentral - Active participation (20%)

#### Remark

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#### Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

#### Supplementary aids

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#### Examination languages

Question language: English

Answer language: English

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## Examination content

The whole course is worth 6 ECTS and will be graded as follows:

*Exam:*



The written exam will be based on the material discussed in the lecture as well as the denoted textbook chapters. It will last 90 minutes and counts for **50%** of the final grade.

*Independent studies:*

Each student has to work in a group of maximum three students on one topic. Each group has to hand in their presentation slides (pdf or ppt) by **November 5, 2017**. Furthermore, all groups are required to present their work in one of the seminar sessions. The joint contribution by a team of students implies common grading for all team members. Overall, the independent studies (presentation) count for **30%** of the final grade.

*Active participation:*

Active participation counts for **20%** of the final grade.

**Note that the exam grade is decisive in case of a tie**, that is in case of an average grade of e.g. 4.75.

## Examination relevant literature

Lecture notes, textbooks, and research articles (details on relevant parts will be given in the lecture).



### Please note

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc.

When will the fact sheets become binding?

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 24 August 2017
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 16 October 2017
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 06 November 2017

Please look at the fact sheet once more after these deadlines have expired.