



Course and Examination Fact Sheet: Spring Semester 2021

4,304: International Economics

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - examination paper written at home (individual) (50%)

Examination time: term time

Decentral - Group examination paper (all given the same grades) (50%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[4.304.1.00 International Economics](#) -- Englisch -- [Pisch Frank](#) , [Wolf Martin](#)

[4.304.2.00 International Economics: Exercises](#) -- Englisch -- [Pisch Frank](#) , [Wolf Martin](#)

Course information

Course prerequisites

Students should have a sound understanding of basic macro- and microeconomic principles (firm production and supply, consumer demand).

Learning objectives

The main objective of this course is to endow participants with a good understanding of the key principles that govern international trade and the open economy aspects of macroeconomics. To do so, the main classical international trade and macroeconomics models will be introduced and students will use them to think about different problems and settings both in maths and graphs (being able to do so is the ultimate check on advancement on the main objective). Students will furthermore apply their insights to a real-life case study and thus practice their skills and knowledge in a complex setting. Improving analytical thinking and presentation skills (mainly in written form) is the second main objective.

Course content

Globalization has been a key theme of the twentieth and twenty-first century. Both technological progress and the reduction of political barriers have caused international trade and capital flows to reach unprecedented levels. In order to understand the causes as well as the consequences of this development, we need a set of theoretical models and concepts. This course aims at providing bachelor students with a solid understanding of international economics.

In the first part, we cover three topics. First, we study comparative advantage based on technology and factor endowments as a key principle to explain the majority of goods trade flows in the world. Second, we discuss the determinants of intra-industry trade - which is predominant among similar countries - both in final and in intermediate goods. In doing so, we put an emphasis on global value chains. Third, we study the instruments of trade policy and how they shape welfare.

The second part of the course deals with international macroeconomics. In this part of the course, we study the origins and consequences of cross-country capital flows, as well as the links between monetary policy, capital flows and exchange rates. We take a positive view first, using theoretical models to understand the determinants of capital flows and exchange rates. Thereafter, we take a normative view: should capital flows be regulated, and when should monetary policy attempt to influence exchange rates?

Course structure

This course will take place online. There are 12 weekly "lectures" and 6 bi-weekly "exercise sessions", but input and applications



are interweaved throughout the course (i.e. the distinction between lectures and exercise sessions is meaningless).

Course literature

Krugman, Paul R., Maurice Obstfeld, and Marc J. Melitz (2017). "International Economics Theory and Policy", 11th edition, Global Edition, Pearson, Essex, England. Free electronic version available via the HSG Library.

Further Readings:

- Feenstra, Robert C. and Alan M. Taylor (2011). "International Economics", 2nd edition, Worth Publishers, New York, United States.
- Blanchard, Olivier (2012). "Macroeconomics", 6th edition, Pearson International Edition, Essex, England
- Harms, P. (2016), International Macroeconomics (2nd edition), Mohr Siebeck.

International Macroeconomic (2020), Schmit-Grohe, Uribe and Woodford, in preparation for Princeton University Press, available at <http://www.columbia.edu/~mu2166/UIM/suw.pdf>

Additional course information

The course will take place online at the times indicated.

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - examination paper written at home (individual) (50%)

Examination time: term time

Remark

--

Examination-aid rule

Term papers

Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship which is a published template in StudentWeb.

The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the chosen citation standard such as APA or MLA.

For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende, newest edition respectively, or according to the recommendations of the Law School).

The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into texts in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C., Lern- und Arbeitsstrategien, newest edition respectively).

For any work written at the HSG, the indication of the page numbers is mandatory independent of the chosen citation standard. Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.

Supplementary aids

None.

Examination languages



Question language: English

Answer language: English

2. Examination sub part (2/2)

Examination time and form

Decentral - Group examination paper (all given the same grades) (50%)

Examination time: term time

Remark

--

Examination-aid rule

Term papers

Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship which is a published template in StudentWeb.

The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the chosen citation standard such as APA or MLA.

For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende, newest edition respectively, or according to the recommendations of the Law School).

The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into texts in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C., Lern- und Arbeitsstrategien, newest edition respectively).

For any work written at the HSG, the indication of the page numbers is mandatory independent of the chosen citation standard. Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.

Supplementary aids

All sources and discussed in lectures.

Examination languages

Question language: English

Answer language: English

Examination content

The whole course is worth 4 ECTS and will be graded as follows:

Quizzes: There will be six quizzes (mini-exams) taking place throughout the course. Three Quizzes cover the trade part of the course, the remaining three quizzes cover the international macro part. Each quiz will take place online through StudyNet/Canvas. Each quiz will be approximately 30 minutes long and contain multiple choice, single choice, simple numerical questions, or more essay type questions. Jointly, the quizzes account for 50% of the grade.

Each student has to work in a group of max. three students on one topic provided during the course. Each group has to hand in their term paper as a pdf-file. The essay counts for another 50% of the final grade.

The grade on the quizzes is decisive in case of inadmissible quarter grades. For example, a quizzes grade of 5 and an essay grade of 4.5 would imply an overall grade of 4.75, which will lead to a 5.0 due to the higher grade in the quizzes.

Examination relevant literature

There is no mandatory course literature. The examinations are solely based on the provided lecture notes and the conducted exercises in class.



Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 28 January 2021);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 14 (Thursday, 8 April 2021).