



Course and Examination Fact Sheet: Spring Semester 2022

4,304: International Economics

ECTS credits: 4

Overview examination/s

(binding regulations see below)

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

Examination time: inter-term break

Decentral - examination paper written at home (in groups - all given the same grades) (50%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[4.304.1.00 International Economics](#) -- Englisch -- [Sachs Dominik](#)

[4.304.2.00 International Economics: Exercises](#) -- Englisch -- [Myohl Nadia](#)

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. Topics in migration will also be covered.

To do so, the main classical international trade, migration, 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, migration 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. Third, we study the instruments of trade policy and how they shape welfare.

In the second part, we study two core topics of migration. We will study theoretical models and empirical evidence centered around the following two questions: (i) who migrates (selection of migrants)? (ii) What is the effect of immigration on the wage and income inequality of residents.



The third 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 and indications of the learning and teaching design

There will be 13 lectures and 4 exercise sessions. The exercise sessions will be held by Nadia Myohl.

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.

Bodvarsson, Örn B., and Hendrik Van den Berg. *The economics of immigration*. New York, NY: Springer New York, 2013. Free electronic version available via the HSG Library.

Further readings:

Blanchard, Olivier (2012). "Macroeconomics", 6th edition, Pearson International Edition, Essex, England.

Additional course information

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in SpS2022, the course information listed above will be changed as follows:

- The course is conducted online via the platform Zoom;
- The recordings of the course are available for 30 days ;
- The lecturer informs via StudyNet on the changed implementation modalities of the course;

The examination information listed below would be changed as follows:

There are no changes necessary to the examination information.

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

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

Examination time: inter-term break

Remark

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, 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

2. Examination sub part (2/2)

Examination time and form

Decentral - examination paper written at home (in groups - all given the same grades) (50%)

Examination time: term time

Remark

Paper

Examination-aid rule

Peer review

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

The legal standard is recommended for legal work (cf. by way of example: FORSTMOSER, P., OGOREK R., SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende (the latest edition in each case), or according to the recommendations of the Law School).

The reference sources of information (paraphrases, quotations, etc.) that has been taken over literally or in the sense of the original text must be integrated into the text in accordance with the requirements of the citation standard used. Informative and bibliographical notes must be included as footnotes (recommendations and standards e.g. in METZGER, C., Lern- und Arbeitsstrategien (latest edition)).

For all written work at the University of St.Gallen, the indication of page numbers is mandatory, regardless of the standard chosen. Where page numbers are missing in sources, the precise designation must be made differently: chapter or section title, section number, article, 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:

Exam: There will be a central exam. The exam will cover all topics studied in the lectures and exercise classes. The exam counts 50% of the final grade.

Term Paper: Each student has to work in a group of 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.



Examination relevant literature

There is no mandatory course literature. The examinations are solely based on the content covered in the lectures, the conducted exercises in class, and the provided materials (lecture notes, problem sets, etc.).

Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and take 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, 27 January 2022);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 21 March 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 21 March 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 15 (Monday, 11 April 2022).