



## Course and Examination Fact Sheet: Spring Semester 2023

### 4,304: International Economics

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

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

Examination time: term time

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

Examination time: inter-term break

#### Attached courses

Timetable -- Language -- Lecturer

[4.304.1.00 International Economics](#) -- Englisch -- [Caprettini Bruno](#)

[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). Working knowledge of simple algebra is also expected.

##### Learning objectives

The course aims at introducing students to the main questions in international economics: why countries trade, what are the consequences of trade and trade policies, how exchange rates are determined and how the movement of goods differs from the movement of people and ideas across borders. To do so, it will guide students through simple formal models that can be used to interpret current international events.

The objective of the course is to equip students with enough formal training to (a) understand and (b) respond to the economist in the room.

##### 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.

The second part 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?

In the third and last part of the course we take a look at the movement of people and ideas across the world. Why do people migrate to a different country, and what is their impact on the host economy? What are the objectives and the consequences of the protection of intellectual property rights?



## Course structure and indications of the learning and teaching design

There will be 11 lectures with explanations of the main concepts and open discussions. Nadia Myohl will lead 6 exercise sessions.

### Course literature

Main textbook:

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.

Additional readings taken from recent articles may be provided during the course.

### Additional course information

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## Examination information

### Examination sub part/s

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

##### Examination time and form

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

Examination time: term time

##### Remark

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##### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

##### Supplementary aids

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##### Nature of examination

analog

##### Examination languages

Question language: English

Answer language: English

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

##### Examination time and form

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

Examination time: inter-term break

##### Remark

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## Examination-aid rule

Closed Book

The use of aids is prohibited as a matter of principle, with the exception of pocket calculator models of the Texas Instruments TI-30 series and, in case of non-language exams, bilingual dictionaries without any handwritten notes. Any other aids that are admissible must be explicitly listed by faculty members in the paragraph entitled "Supplementary aids" of the course and examination fact sheet; this list is exhaustive.

Procuring any aids, as well as ensuring their working order, is the exclusive responsibility of students.

## Supplementary aids

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## Nature of examination

analog

## Examination languages

Question language: English

Answer language: English

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## Examination content

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

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.

Feenstra, Robert and Alan M. Taylor "International Economics." Third Edition. Copies available at the HSG library.

Slides distributed through Canvas.



## 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, 26 January 2023);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 20 March 2023);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 20 March 2023);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the de-registration period in CW 15 (Monday, 10 April 2023).