



Course and Examination Fact Sheet: Autumn Semester 2021

5,242: International Economics (BVWL)

ECTS credits: 6

Overview examination/s

(binding regulations see below)

Decentral - Written examination (with defined exam duration) (50%, 90 mins.)

Examination time: term time

Decentral - Written examination (with defined exam duration) (50%, 90 mins.)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[5.242.1.00 International Economics \(BVWL\)](#) -- Englisch -- [Evenett Simon](#) , [Wolf Martin](#)

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 of this course, we establish a solid understanding of the international monetary system and its interaction with the macroeconomy (international macro/international finance). We start by discussing the determinants of the current account and of (nominal and real) exchange rates. Thereafter, we discuss monetary and fiscal policy in the open economy, by applying our insights to various real-world examples. In particular, we cover the following matters (a) The Intertemporal Model of the Current Account (b) Nominal Exchange Rates and Interest Parity (c) Real Exchange Rates and the Balassa Samuelson Model (d) Monetary and Fiscal Policy and Capital Controls

In the second 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 matters covered are (a) Patterns of International Trade and Comparative Advantage (b) The Ricardian Model (c) The Specific-Factors Model (d) The Heckscher-Ohlin Model (e) Economies of Scale Models (f) International Trade Policy.

Course structure and indications of the learning and teaching design

We alternate between lectures (exposition by the two lecturers, 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

Schmitt-Grohe, Stephanie, et al. "International Macroeconomics", in preparation for Princeton University Press, 2021, available online at <http://www.columbia.edu/~mu2166/UIM/index.html>. This textbook will be used for the international macro part of the course.

Krugman, Paul R., et al. "International Economics: Theory and Policy", 11th Global Edition, Pearson Education Limited, 2017. This textbook will be used for the international trade part of the course.

Additional course information

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in AS2021, the course information listed above will be changed as follows:

- The course is conducted online via the platform Zoom
- The recordings of the course will not be saved.
- The lecturer informs students via StudyNet on the changed implementation modalities of the course. There are no changes necessary to the course information.

The examination information listed below would be changed as follows: The written examination are conducted online and are being recorded. Modalities would be communicated via Studynet.

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - Written examination (with defined exam duration) (50%, 90 mins.)

Examination time: term time

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, 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 - Written examination (with defined exam duration) (50%, 90 mins.)

Examination time: term time

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, 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

Examination content

The midterm exam will contain questions on the international macroeconomics part of the course, while the final exam will cover the international trade 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 computations or analyses by means of diagrams with short elaborations.

Examination relevant literature

Schmitt-Grohe, Stephanie, et al. "International Macroeconomics", in preparation for Princeton University Press, 2021, available online at <http://www.columbia.edu/~mu2166/UIM/index.html>. This textbook will be used for the international macro part of the course.

Krugman, Paul R., et al. "International Economics: Theory and Policy", 11th Global Edition, Pearson Education Limited, 2017. This textbook will be used for the international trade part of the course.

No additional literature (to be read before the exam) beyond that specified in the course outline at the start of the semester.



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 (CW51) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 42 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 34 (Thursday, 26 August 2021);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 42 (Monday, 18 October 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 42 (Monday, 18 October 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 45 (Monday, 8 November 2021).