

Course		
The Global Economy has issues: What can we do?		
Lecturer	Duration	ECTS /Credits
Prof. David Carr dcarr@usd.edu	International Week	3
Course Character	Semester	Course Language
Elective Course	Fall Semester	English
Prerequisites		
There are no prerequisites for this course.		
Description of the Course		
<p>This course is an examination of major issues in the Global Economy. This course is intended for all students – even those who have never had an economics course! All topics will be taught at an introductory level.</p> <p>Each day, one or two major issues in the Global Economy will be discussed. Each topic will be examined through a combination of lecture, discussion, and working of problems. On the last day of the course, we will conclude with an exam.</p>		
Course components		
<p>a. Attendance and participation: Attendance and participation in class is strongly encouraged as general discussion, asking and answering questions will help understanding the course material.</p> <p>b. Exam: The exam will be held on Friday, October 26, 2018. The time allowed is 90 minutes. The exam will be based on the material and exercises discussed in class. It may include problems, multiple choice, true/false, short essay answers, short case studies etc. To receive a passing grade for the course students must obtain at least 50% of the total points possible.</p> <p>c. Group Presentation: We will begin the final day with a group presentation on an International Economic Issue of your choosing. As part of the goal for this course is to get the students to take a “topics” course in English, your presentation will be given in English.</p>		
Preparation for and Participation in Class:		
<p>You are expected to have completed all assigned readings and to have, at minimum, attempted the homework assignments prior to each class. Classroom lectures/discussions will be utilized to develop and enhance your understanding of the material. You have to be prepared at all times to actively participate in classroom discussions, and you should attend class and participate on a regular basis. Please bring a calculator to each class.</p>		
Course Outline:		
<ol style="list-style-type: none"> 1. DAY 1: <ol style="list-style-type: none"> 1.1. Introductions 1.2. International Economics and Its Issues (Book Chapter 1) 1.3. Why do countries trade? (Book Chapter 2) <ol style="list-style-type: none"> 1.3.1. Absolute vs. Comparative Advantage 1.3.2. Gains from Trade 1.3.3. Motivations for trade (technology, resources, etc.) 2. DAY 2: <ol style="list-style-type: none"> 2.1. Why do Economists prefer free trade? (Book Chapter 7) 		

- 2.2. What happens when countries restrict trade? (Book Chapter 7)
 - 2.2.1. Basics of welfare economics
 - 2.2.2. Tariffs
 - 2.2.3. Quotas
- 2.3. Can countries improve their welfare by restricting trade? (Book Chapter 8)
 - 2.3.1. Large countries and tariffs
 - 2.3.2. Strategic Trade Policy
 - 2.3.3. Export subsidies
- 2.4. The World Trade Organization and Trade Policy (Book Chapter 8)
 - 2.4.1. Dumping
 - 2.4.2. Voluntary Export Restraints
 - 2.4.3. Countervailing Duties
- 3. DAY 3:
 - 3.1. Why do Countries form Trading Blocs? International Agreements (Book Chapter 9)
 - 3.1.1. Degrees of Economic Integration
 - 3.1.2. Trade Creation and Trade Diversion
 - 3.1.3. The EU vs. NAFTA
 - 3.1.4. Why Brexit? What will happen?
 - 3.2. Exchange Rate Basics (Book Chapter 10)
 - 3.2.1. Appreciations and Depreciations
 - 3.2.2. Exchange Rate Markets
 - 3.2.3. Exchange Rate Arbitrage
- 4. DAY 4:
 - 4.1. Macroeconomic Basics (Book Chapter 11, 12)
 - 4.1.1. Demand and Supply
 - 4.1.2. GDP and Recessions
 - 4.2. The Integration of World Economies (Book Chapter 14)
 - 4.2.1. Cross-country effects of recessions
 - 4.2.2. Cross-country effects of exchange rates
- 5. DAY 5: Final Day
 - 5.1. EXAM Time

Selected References:

The seminar is based in particular upon the following references:

N. Gregory Mankiw	Principles of Economics, 7 th edition, Cengage, 2014
Feenstra, Robert C. & Taylor, Alan M.:	Essentials of International Economics, 3rd edition, Worth, 2014

Important Note:
 The above outline is tentative to give you an idea of the sequence of topics. It can be modified and is only designed to give you a rough idea of the topics and the rate at which they will be covered. Some of the above topics will be covered in greater detail than others. The relative importance of each topic will be indicated by me.