Course Overview

Survey of International Economics

International Trade

» Trade Theory
  ◆ Why nations trade
  ◆ Who gains, who loses through trade?

» Trade Policy
  ◆ Effects of tariffs, arguments for/against tariffs
  ◆ Other trade policies: Dumping, export subsidies, strategic trade programs
  ◆ Discriminatory trade practices: Free trade areas, customs union, common market, etc. (NAFTA, LAFTA, MERCOSUR, …)
Course Overview

International Finance
» Balance of Payments and Financial Trade
  ◆ Gains from international trade in securities
» The Foreign Exchange Market
  ◆ Organization of the market, relationship among spot, forward and money market interest rates
» Determinants of Exchange Rates
» Macroeconomic Policies with Fixed and Floating Rates
» Policy Choices in the International Monetary System
  ◆ Choosing between fixed and floating exchange rates
  ◆ Currency areas (EMU and the Euro) and currency boards

Course Objectives

Level 1
» Define basic terminology
» State important economic relationships
» Identify key issues

Level 2
» Describe economic processes (e.g. gains from trade, pattern of international capital flows)
» Compare alternative systems (e.g. effects of tariffs vs. quotas, policies under fixed vs. flexible rates)

Level 3
» Formulate economic interpretations and explanations of current events and policy issues
Prerequisites and Requirements

✦ Prerequisites
  » A31.0001 - Principles of Microeconomics
  » A31.0002 - Principles of Macroeconomics
  » Completed prior to registration, no exceptions!

✦ Requirements
  » Take-home mid-term (15%)
  » In-class mid-term (25%)
  » In-class-final (35%)
  » First written country assignment (10%)
  » Second written country assignment (15%)

Visit the Course Web Page / Visit the T.A.

✦ URL: www.stern.nyu.edu/~rlevich/f1999/home.htm
✦ Things you’ll find there:
  » Course outline
  » Assignments, and copies of class slides
  » Links to readings available on the WWW
  » Links to useful web sites
  » My office location, telephone, and e-mail address

✦ The class teaching assistant is Mr. Jiawei Hu
  » He will hold office hours twice weekly (M & W at 2:00 pm) and by appointment in KMEC 7-174
  » His phone is 998-0411, and e-mail is jhu0@stern.nyu.edu
Deliverables

- An information sheet with a space for your picture
  - You cannot receive any grades in the class until this sheet is submitted

- A sign-up sheet listing the 3 people in your group for the written country assignment
  - Start early, you'll need to collect data on a country's international traded and financial performance

- Watch the newspapers and magazines for current international economic events
  - Raise questions about these in class or at office hours
  - Discussing current international economics will deepen your understanding of the course material