

ECON 242: International Economic Prospects and Challenges

St Francis Xavier University

Department of Economics

Professor: Brandon Malloy

Winter 2021

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Classes: Tuesday 11:15-12:30, Friday 12:45-2:00PM (X4/X5) in MULH 3034

Office Hours: By appointment (email)

Course Description:

Covers policy issues and problems in the International economy. Topics include: standard international trade theory; barriers to trade (tariffs, quotas, and subsidies); exchange rate policy; immigration and emigration; trade wars; international monetary, economic and political unions; inequality and standards of living; income and purchasing power. Topics that reflect strong student interest and/or new issues may be added.

Objectives and Learning Outcomes:

- (1) To introduce students to the breadth and scope of issues impacting the International economy and the policy challenges they present
- (2) To examine the effects of possible policy prescriptions on the International economy and Canada's role in the international community
- (3) To introduce the tools of economic analysis used by policymakers and economists in addressing potential issues that nations face.

Prerequisites:

Econ 101 and Econ 102

Textbook:

There is no required textbook for this course- readings will be posted on Moodle to accompany course lectures.

Course Format and Attendance: Students are expected to attend ALL classes- there is no substitute for class attendance in the learning process. As there is no required textbook for the course, most of the background material will come from class lectures, making class attendance *extremely* important. For each topic, I will provide some light background readings, posted on Moodle, that students are expected to read prior to class. Class time will be spent on class discussions and developing economic theory to detail the topics covered. As such, class participation is **HIGHLY** encouraged. Students will be responsible for **ALL** material presented during lectures. Exam questions will typically consist of short answer questions and will require critical analysis of policy issues using economic theory, similar to the analysis performed during class lectures.

Evaluation:

The course grade will be based on three methods of evaluation:

<i>Article Summaries</i>	10%
<i>In-Class Debate</i>	25%
<i>Midterm Exam</i>	25%
<i>Final Exam</i>	40%

Article Summaries

Before beginning each new topic, you will be assigned 1-2 articles to read and review, due before the beginning of the designated class. These are newspaper articles relevant to the topic to be discussed, generally from mainstream media outlets and designed to introduce you to the subject matter at hand. The articles will be posted on the Econ 241 Moodle page. The article reviews **MUST** be completed and submitted on Moodle before the deadline, or you will receive a mark of zero for that assignment. For each review, you will be asked to (1) summarize the subject matter addressed in the article and (2) critique the article in your own words, focusing on elements you agree with, those you do not, and elements that may be overlooked in the article. Reviews are expected to be a **minimum of 500 words**, with at least 2/3 devoted to your critique. This is designed to begin your critical thinking process, before we address the theory behind the topics covered.

In-Class Debates

As this course is designed to address policy issues in the international economy, you will have the opportunity to investigate and debate policy options during the class. Each student will actively participate in a pre-determined policy issue debate during ONE of THREE separate occasions during the semester.

For each debate, students will be randomly assigned into teams of approximately 3 students to prepare one side of a policy issue for presentation to the class. Two teams will present their arguments, and two other teams will be assigned to evaluate and critique the teams presenting. The remainder of the class will observe and decide the results of each debate.

Grading will be allocated as follows:

The debate grade will account for a total of 25% of the student's final grade: 10% will come from each individual's topic preparation, write-up and self-evaluation, 5% will come from each individual's evaluation of another group's debate presentation and 10% will come from the professor based on the in-class debate performance.

Students are required to be present in-class for their scheduled debate days. If a student misses their debate with a valid, documented absence, the weight from that debate will be re-allocated evenly across the remaining course grades.

Midterm Exam

The midterm will be scheduled during class time, for Tuesday, March 2. Students missing a midterm exam due to illness, unexpected emergencies or other conflicts must notify the professor immediately, with a valid reason for their absence, in order to be considered for a make-up exam, as outlined in Section 3.9 of the Academic Calendar.

Final Exam

The final exam will be cumulative and will cover the breadth of topics covered during the entire course. The time and date will be determined by the Registrar.

Course Topics

- 1. Gains from Trade**
 - a. General Equilibrium effects
 - b. Large vs. Small Open Economy models
- 2. Barriers to Trade**
 - a. Tariffs
 - b. Quotas
 - c. Subsidies
- 3. Income Distributions**
 - a. National Income Measurement
 - b. Income Inequality
- 4. Exchange Rates**
 - a. Nominal and Real Exchange Rates
 - b. Exchange Rate policies
 - c. Purchasing Power Parity and Real Income
- 5. Trade Wars**
 - a. Trade Wars: Theory
 - b. A Game-Theoretic Approach
 - c. Repeated Games

Note: I will try to adhere to this order of topics, but may re-order topics due to scheduling constraints or depending on student interest

Important Dates

Fri, Jan 15- First day of “Online” class

Thurs, Jan 21 Last day to change second-term or full-year courses

Fri, Jan 22- First day of “In-person” class

Tues, Mar 2- Midterm Exam

Fri, Mar 19- Last day to drop second-term three-credit courses

Fri, Mar 26, Apr 2, Apr 9- **Debate Days**

Fri, Apr 9- Last day of course

Mon, Apr 12- Exam period begins

Statement on Equitable Learning

Everyone learns more effectively in a respectful, safe and equitable learning environment, free from discrimination and harassment. I invite you to work with me to create a classroom space – both real and virtual – that fosters and promotes values of human dignity, equity, non-discrimination and respect for diversity.

Please feel free to talk with me about your questions or concerns about equity in our classroom or in the STFX community in general. If I cannot answer your questions or help you address your concerns, I encourage you to talk to the Chair/Coordinator of the Department/Program or the Human Rights and Equity Advisor. Please note that a Human Rights and Equity Advisor will soon be appointed. In the meantime, students, faculty, or staff may also contact the Director of Human Resources at hr@stfx.ca or the Office of the AVP&P

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