The study of International economics, like all branches of economics, concerns decision making with respect to the use of scarce resources to meet desired economic objectives. It examines how international transactions influence such things as social welfare, income distribution, employment, growth, and price stability and the possible ways public policy can affect the outcomes.

### COURSE OBJECTIVES

The student will learn the foundations of International Economics, globalization, and foreign exchange rates. The student will analyze the reasons of international financial crisis and capital flows in different time periods. The student will learn international business environment.

### COURSE CONTENTS

1. Comparative Advantage, Distribution of Income
2. Economies of Scale, Imperfect Competition and International Trade
3. International Factor Movements
4. The Instruments of Trade Policy / The Political Economy of Trade Policy
5. Balance of Payments
6. Money, Interest Rates and Exchange Rates
7. Fixed Exchange and Foreign Exchange Interventions
8. Optimum Currency Areas and the European Experience
10. Developing Countries: Growth, Crisis and Reform

### TEACHING/ASSESSMENT

**Description**

<table>
<thead>
<tr>
<th>Teaching Methods</th>
<th>Description (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lectures and class discussion; Team work; Case study analysis</td>
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<table>
<thead>
<tr>
<th>Student Assessment Methods</th>
<th>Description (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid Term Exam</td>
<td>10 %</td>
</tr>
<tr>
<td>Discussion, homework, Attendance</td>
<td>10 %</td>
</tr>
<tr>
<td>Case Study Presentation</td>
<td>10 %</td>
</tr>
<tr>
<td>Final Exam</td>
<td>50 %</td>
</tr>
</tbody>
</table>

**Learning outcomes**

By the end of the course the students should:
- Know key facts relating to international trade
- Understand the concept of comparative advantage and know its determinants.
- Understand the working and applications of the Ricardian and Heckscher-Ohlin models of international trade as well as the models of new trade theory.
- Understand the concept of gains from trade
- Be able to evaluate effects of international trade and of international trade policies on economic welfare and domestic goods and factor markets.
- Understand the WTOs, FDI and MNU role in the world economy

**Language of Instruction**

English

**Textbook(s)**


Comment [MP1]: ISBN missing