

University of Georgia
Terry College of Business
Department of Economics

ECON 4040
International Business Environment
Spring 2008 (January 7th – May 6th 2008)

Room: UGG - A 1340
Monday, Wednesday: 17:00-18:15pm

Instructor: Ilker Kaya
Email: ilker@uga.edu

Office Hours:

Monday and Wednesday from 16:15 pm to 17:00 pm and by appointment. Office hours are to address specific questions you may be having with the course material. Office hours are not a substitute for class attendance and I will not repeat lectures or provide you with my lecture notes.

Required Textbook:

Gerber, James. *International Economics*. 4th edition. Addison Wesley: Boston, MA.

Supplemental Materials:

An Introductory Economics textbook such as N. Gregory Mankiw, *Principles of Macroeconomics*, 4th edition could be a good general reference. Other supplemental materials will be posted on WebCt.

Prerequisites:

ECON 2105 and ECON 2106
These must be completed prior to enrolling in this course unless otherwise specified by the Department. This course is offered as an upper division elective.

WebCT and e-mail:

Course materials will be posted on WebCT. You must have "myid" to access these course materials. If you do not have a UGA "myid", you can get one at <https://www.arches.uga.edu/myid/>.
At times I may communicate with you via the e-mail facility in WebCT. Therefore, it is your responsibility to check it on a regular basis.

Attendance:

Your attendance in this class will not be monitored and will not account a portion of your final grade, but note that excessive absences are often correlated with poor test performance.

Lecture notes will be posted on WebCT but these should not substitute for coming class. In the event that you do miss a class, you should see a classmate for copies of that day's notes for any discussion or explanations not included in the on-line notes.

Course Description and Objective:

The common saying "when the US sneezes, all other countries catch a cold" underlies the fact that in our global economy, countries are interconnected through extensive networks of financial, commercial, political and economic relations. For instance, more and more we see that countries trade in consumption goods and financial services and there can be both winners and losers in trade. Why is trade beneficial even though we know that there are 'winners' and 'losers'? How can economic unions, such as the EU, be beneficial to member countries? Why and how can fiscal and trade deficits and/ or economic shocks result in unstable economic performance and even global contagion? What are the roles of the international financial institutions and the world trading system? How has factor mobility affected international business strategies? These questions are of interest to business people, researchers and policy makers. We will look at the theory that forms the framework for 'answering' these questions throughout the course in a manner that is informative, analytical and theoretical.

Classroom Sessions and Textbook:

I will follow closely the required textbook and use simplified examples where appropriate. The class sessions and the textbook are meant to complement each other. I encourage you to attend all classes and read the assigned readings before the class sessions. I believe that this approach will allow you to benefit most from the class sessions. Please feel free to ask questions during our class time. See the attached course outline for the assigned readings.

Assignments/ Exams/ Grading:

There will be three assignments, two in-class exams and a final.

Assignments: I strongly suggest that you test your knowledge by answering questions and working problems from the textbook. I will assign three graded assignments and the grades from your assignments will count to your final grade.

In-class exams: The two in-class exams will be on **Wednesday, February 20** and **Wednesday, April 2**. These exams will be short-answered questions. Solutions to the exam will be posted. Hard copies will not be handed out in class.

Final Exam: The final exam date will be announced in class. It is comprehensive and will include all the material that we cover.

Makeup exams: There will be **NO MAKEUP EXAMS** for the in-class exams or the final exam. Please meet me if your class schedule conflicts with any of the exam times (that is, in-class exams or final exam) as soon as possible.

If you cannot take an in-class exam on the scheduled day, you need to present a verified excuse. If you have a valid excuse for missing an in-class exam, the weight of that test will be shifted to the final exam. Failure to take the final exam at the scheduled time will result in a grade of zero. Two exceptions to this rule apply:

- (i) if you complete the process outlined by the Office of Curriculum Systems (www.curriculumsystems.uga.edu), verifying that you have another final exam scheduled for the same time or three final exams scheduled for the same day: or
- (ii) if the Office of the Vice President for Student Affairs verifies that you have a family emergency or personal illness that impedes your ability to take the final exam.

Overall Course Grade: Your course grade will be calculated by multiplying the weights by the percentage you score and determining a weighted average. Grades will be determined according to following grading scale:

95 and above	A
90 - 94.9	A-
86 - 89.9	B+
82 - 85.9	B
78 - 81.9	B-
74 - 77.9	C+
71 - 73.9	C
68 - 70.9	C-
60 - 67.9	D
59.9 and below	F

Your grade will be based on the following:

Assignments	20 percent
2 In-class Exams	25 percent each
Final Exam	30 percent

There are no opportunities for extra credit; you will receive the grade that you earn.

Academic Honesty:

I will strictly follow UGA's Academic Honesty Policy, which is described at http://www.uga.edu/ovpi/academic_honesty/culture_honesty.htm. All academic work must meet the standards contained in "*A Culture of Honesty*." Each student is responsible for knowing those standards before performing academic work. Note that under this policy a student found guilty of academic dishonesty receives an "F" in the

relevant class and may be suspended or expelled from the University. I will report any violations of the academic honesty code to the Office of the Vice President for Instruction.

Special Needs:

I am aware that there are many situations that may arise during the semester that can affect your in-class performance. Students with a disability or health-related issues who need a classroom accommodation should make an appointment to see me as soon as possible. Please present the appropriate documentation from Disability Services at that time.

Course Syllabus and Outline:

Please see the attached course syllabus and outline for important dates. The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Comments:

I encourage you to do the work and the assigned problems as revision for the chapters and as practice for the graded assignments and exams as we go along in the semester. They will be a good gauge of your understanding of the course-material. Please feel free to use my office hours to discuss the practice assignments as well.

Good luck for the semester!

Course Syllabus

Part I:	Introduction and Institutions	
	• International Economic Institutions	C.2
Part II:	International Trade	
	• Comparative Advantage and the Gains from Trade	C.3
	• Comparative Advantage and Factor Endowments	C.4
	• Beyond Comparative Advantage	C.5
	• The Theory of Tariffs and Quotas	C.6
	• Commercial Policy	C.7
	• International Trade and Labor and Environmental Standards	C.8
Part III:	International Finance	
	• Trade and Balance of Payments	C.9
	• Exchange Rates and Exchange Rate Systems	C.10
	• An Introduction to Open Economy Macroeconomics	C.11
	• International Financial Crisis	C.12
Part IV:	Regional Issues in the Global Economy	
	• Economic Integration in North America	C.13
	• The European Union: Many Markets into One	C.14
	• Trade and Policy Reform in Latin America	C.15
	• Export-Oriented Growth in East Asia	C.16
	• Economic Integration in the Transition Economies	C.17

NOTE: The course syllabus is a general plan for the course; I will announce deviations as necessary. We will not be covering all the material in the chapters. More detailed, weekly course outlines will be made available.