Objectives and Prerequisites

Introduction to the theory of international trade and international monetary economics. The theoretical background is used as a basis for discussion of policy issues. Patterns of international trade and production; gains from trade; tariffs, and other impediments to trade; foreign exchange markets, balance of payments, capital flows, financial crises, coordination of monetary and fiscal policy in a global economy.

Note: Economics 50 is a one-semester course in international Economics. Students wishing to study the subject in greater depth should take instead the two-semester sequence Economics 251-252. A student who receives credit for Economics 50 will receive no credit for either Economics 251 or 252. Prerequisites: Economics 1 and 2.

Lecture and Office Hours

Lecture Hours:
Monday: 9 - 10, STIT B26
Wednesday: 9 - 10, STIT B26
Friday: 9 - 10, STIT B26

Office Hours (McNeil 343):
Monday: 10-12, McNeil 343
Wednesday: 10-12, McNeil 343
and by appointment (Tel:8-6765, E-mail: ozmucur@ssc.upenn.edu)

Textbook
Course Outline (other readings will be given during the semester)

1. Introduction
   Krugman & Obstfeld, Chp.1

2. World Trade
   Krugman & Obstfeld, Chp. 2

3. Labor Productivity and Comparative Advantage
   Krugman & Obstfeld, Chp.3

4. Resources, Comparative Advantage and Income Distribution
   Krugman & Obstfeld, Chp.4

5. The Standard Trade Model
   Krugman & Obstfeld, Chp.5

6. Economies of Scale, Imperfect Competition, and International Trade
   Krugman & Obstfeld, Chp.6

7. International Factor Movements
   Krugman & Obstfeld, Chp.7

8. The Instruments of Trade Policy
   Krugman & Obstfeld, Chp.8

   Krugman & Obstfeld, Chp.12

10. Foreign Exchange Markets
    Krugman & Obstfeld, Chp.13

11. Money, Interest Rates and Exchange Rates
    Krugman & Obstfeld, Chp.14

12. Price Levels and the Exchange Rate in the Long Run
    Krugman & Obstfeld, Chp.15

13. Output and the Exchange Rate in the Short Run
    Krugman & Obstfeld, 16

14. Fixed Exchange Rates and Foreign Exchange Intervention
    Krugman & Obstfeld, 17

15. Macroeconomic Policy and Coordination under Floating Exchange Rates
    Krugman & Obstfeld, 19
Exams

There will be a midterm exam and a final exam. All examinations are closed book.

Midterm Exam (February 22nd, Wednesday) (40%)
Final Exam (to be scheduled by the Registrar; preliminary, Thursday, April 27, 9-11) (40%)
(Tentative schedule by the Registrar
http://www.upenn.edu/registrar/pdf_main/06A_Exam_Schedule.pdf)
See final exam rules: http://www.econ.upenn.edu/Undergraduate/FinalExamRules.htm

Grading

The final grade for the course will be based on two exams, and assignments:

Midterm Exam (February 22nd, Wednesday) (40%)
Final Exam (to be scheduled by the Registrar; preliminary, April 27, 9-11) (40%)
Assignments (20%)