INTERNATIONAL ECONOMICS

University of Pennsylvania
Department of Economics, College of Arts & Sciences
ECON0500 – FALL 2023

Instructor:	Luca Bossi	**Office Location:**	PCPE 507
Email:	boluca@upenn.edu	**Zoom OH:**	Tue. 11am-1pm

Class Meeting Day/Time: M&W 1:45-3:15pm.

Online delivery policies: Lectures will be recorded and the material will be made available via Zoom in Canvas. However, as per college policies, students cannot attend live classes remotely using Zoom.

Mask Policy: unless the university changes policies, mask is optional during our lectures and exams. I will wear it.

Class Location: PCPE 101.

TEACHING TEAM

The TA is an important component of ECON 0500 as he will help you with exercises, material, topics, and quizzes during office hours. You should use the TA and go to his Office Hours as much as your schedule allows and ask questions. This semester we have the following Teaching Assistant (the details of his exact OH will be posted on Canvas soon after the semester starts):

TA: Mengjia Xia **Email:** xiax@wharton.upenn.edu **Zoom OH:** Th. 4-5pm & Fri. 10-11am

COURSE OVERVIEW AND OBJECTIVES

This course is an introduction to the theory of international trade and international macroeconomics. The theoretical background is used as a basis for discussion of policy issues. Topics include, but are not limited to: patterns of international trade and production; gains from trade; tariffs and other impediments to trade; foreign exchange markets, balance of payments, capital flows, possibly also financial crises, coordination of monetary and fiscal policy in a global economy. The course structure is based on in person lectures format. Exams and assignments will cover all material covered in the lectures as well as the relevant textbook chapters. Note: Economics 50 is a one-semester course in International Economics intended for non Econ majors. It is mostly intended for students interested in an Econ Policy minor. Students wishing to study the subject in greater depth should take instead the two-semester sequence Economics 251-252.

PREREQUISITES

The official prerequisite for this course is Econ 0100 and Econ 0200 or Econ 0110/Bepp 1000 (from Wharton). There are no exceptions to this Departmental requirements. I will ask you to also be able to take the derivatives of simple functions during the course so you have to brush up your high school math.

TEXTBOOK *International Economics – 12th edition*, Pearson (ISBN: 9780135766859), Contributing Authors: P.R. Krugman, M. Obstfeld, M.J. Melitz. The cheaper option is for you to buy it with Mylab.

COURSE WEBSITES:

- Login in **Canvas** system (by default when you enroll in the class).

- Signup to **Mylab** (from within Canvas), a companion website to complete the online assignments and access the online copy of the textbook. More details and "how to signup" are available in a separate document posted on Canvas.

- *Optional:* You can network with me on LinkedIn so I could endorse your International skills at the end of the semester if you list those in your LinkedIn skills and send me a reminder then.

You are required to check the Canvas course website regularly. Most of the class material including lecture notes, problem sets, exercises, readings, etc. will be posted online in Canvas. All the weekly announcements will also be found on Canvas. This means that you need to check the course website at least 2 times a week. I will assume that each student is aware of all the material posted on Canvas.

GRADING

You can use the following grading scale to convert your scores into letter grades. This grading scale will be used as a lower bound:

A: > 93	B: 83.5 - 86.99	C: 73.5-76.99	D: 60-66.99	
A-: 90-92.99	B-: 80 - 83.49	C-: 70-73.49	F: < 60	
B+: 87-89.99	C+: 77-79.99	D+: 67-69.99		

If I deem it necessary, I will curve overall course scores. Your overall grade will be based on 3 exams, the Mylab assignments, some assignments/quizzes that will be delivered online and/or in class.

There are two methods used to calculate the course grade; I will choose the method that gives you the highest letter grade in the end.

Consistency:	**One great, One-off:**
20% for each of the 3 exams,	15-20-25% for the 3 exams,
20% for Mylab assignments,	20% for Mylab assignments,
15% for assignments/quizzes,	15% for assignments/quizzes,
5% for class attendance/participation.	5% for class attendance/participation,

These two methods favor all responsible students.

EXAMS

In this course **there are no re-take exams**. When you take an exam the grade in that exam will count toward your letter grade for this course according to the grading methods outlined above. Exams are in exercise and/or multiple choice format and are designed to evaluate mastery of course material. There will be three in class exams administered during the semester. I will announce the logistical details for the exams on Canvas. The exams cover the lectures, assignments, the textbook chapters, and all the material we will cover in class. Time of the exams is in class during lecture time, all exams delivered through Canvas, you must come to the lecture to take the exam. Students are responsible for making sure, at the beginning of the term, that they can take the exams on those dates.

There is no final exam for this course.

Regrading requests: Errors in grading rarely occur; here are the rules and procedures for requesting a correction. Students who believe their work has been graded incorrectly must petition for a correction by typing via email within 7 days of receiving their graded exam back. Requests should be focused on the specific error. After that time window there is no possibility for a re-grade. The important general rule is that such a request should clearly and succinctly state the unambiguous error you believe has occurred in grading. Errors in grading arising from illegible or garbled answers are not subject to correction. Re-grading is not allowed for the multiple choice part of the exams (if any such part is present in the exam). The entire graded examination will be reconsidered; there is no guarantee that grades will rise as, statistically, positive and negative errors in grading are equally likely. If the request arises because you think different students have been graded differently, all the affected students should submit their work as a group.

MYLAB ASSIGNMENTS
There will be few Mylab assignments, and it is required that you complete them. Those overall count for 20% of your letter grade. Assignments will be posted on the Mylab website. You will be notified about their availability and about their due dates within Canvas. Mylab assignments are designed as learning processes. In particular, those assignments in this course are mostly related to textbook reading and comprehension. So they are relatively easy. This is by design. Usually (but not always) they become available on Monday and are due the following Sunday by 11:59pm. Once you submit your answer, you might consider printing the answers from the Mylab web site for your own perusal. You can be up to 24 hours late on one Mylab assignment only. You must email me in this case within that 24 hours window and I will re-open the assignment for you. No other late assignments will be accepted. You will receive a zero if you do not submit an assignment at the deadline and you have used the late assignment bonus already. Mylab system will have strict deadlines embedded, and if you miss it there isn't anything that can be done. Please do plan ahead. Technical problems with your computer or your internet connection are not acceptable excuses either. You have several days to submit the homework: do not leave submission to the last hour of the last day that it is due. **I will drop your lowest Mylab assignment score.** So if you miss one assignment for whatever reason, that counts as your lowest score and your letter grade will not be impacted. If you miss more than one assignment, that will likely impact your letter grade. Feel free to study with other students and to discuss the material and assignments with your classmates and in fact you are encouraged to do so. However, the work you turn in should be your own. This is because working out problems/quizzes is an essential component to learning economics. Directly copying someone else's problem set or quizzes will be considered cheating.

QUIZZES AND ASSIGNMENTS
There will be few assignments and other quizzes posted throughout the semester on Canvas. Some of them you will be asked to solve at home and some of them you will be asked to complete during class time. Those will be graded by the TA. You will get a zero if you do not upload the online assignments or submit quizzes, or if your answers on that assignment do not meet a minimum level of effort or if it is impossible to read your work. Those quizzes and assignments are meant to test if you have retained the info/formulas/concepts for that portion of the course, and if you are keeping

up with the material and getting ready for the exams. You can be up to 24 hours late on one quiz/online assignment only. You must email me in this case within that 24 hours window and I will re-open that submission for you. No other late assignments will be accepted. You cannot ask for an extension if the quiz/assignment is held in class. You will receive a zero if you do not submit a quiz/online or in class assignment at the deadline and if you have used the one late bonus already. Feel free to study with other students and to discuss the material with your classmates and in fact you are encouraged to do so for online assignments. However, the work you turn in should be your own. This is because working out problems is an essential component to learning economics. Directly copying someone else's problem set or quizzes or using AI tools will be considered cheating. If the quizzes/assignments are delivered in class, you have no excuse not to come to take them. I will give you several days warning before the quiz/assignment will take place in class. **I will drop your lowest online/in class assignment or quiz score.** So if you miss one online/quiz assignment for whatever reason, that counts as your lowest score and your letter grade will not be impacted. If you miss more than one quiz/assignment, that will likely impact your letter grade.

COURSE ATTENDANCE
You must attend both lectures on Monday/Wednesday. Exams will cover all material covered in the lectures. In person attendance (and participation) will be formally taken.
Excused absences: You can miss 4 lectures for whatever personal/religious/health reasons (including Covid) you might have during the semester. So that leaves the reminder of the lectures upon which the 5% of the letter grade of attendance and participation is based upon. Every missed lecture on top of the 4 that you are allowed to miss will affect your letter grade.

HONOR CODE AND ACADEMIC INTEGRITY
Please familiarize yourself with the code of academic integrity at the University of Pennsylvania. In particular, students are expected and required to:

1. Do not misrepresent work that you did not complete as your own.

2. Do not cheat in examinations, as doing so will result in severe sanctions.

3. Do not take the examinations together with other students or other people or using external help.

If the teaching team catches you cheating during any of the course activities, I will report you to The Center for Community Standards and Accountability (CCSA) and follow standard university procedures. Any student who is found responsible for violating the Code of Academic Integrity by the CCSA will receive an automatic F in the course. NO EXCEPTIONS.

POLICY STATEMENT ON NON-DISCRIMINATION ON THE BASIS OF DISABILITY (ADA)
The University of Pennsylvania is an equal opportunity educational institution. The University of Pennsylvania is committed to providing equal access to education for all students. If you have a documented disability or you believe you have a disability and would like information regarding academic accommodations/adjustments in this course please contact the Student Disability Services Office (SDS) at the Weingarten Center as soon as possible for more information and/or to initiate the process for accessing academic accommodations.

BELONGING AND DIVERSITY

A goal of this course is to prepare students for a major/minor in Econ and a career as economists/public policy experts by giving them a sense of belonging within the field. This can only happen if all members of the course community – the instructor, TAs, and students – work together to create a supportive, inclusive environment that welcomes all students, regardless of their race, ethnicity, gender identity, sexuality, religious beliefs, physical or mental health status, or socioeconomic status. Diversity, inclusion, and belonging are all core values of this course. All participants in this course deserve to and should expect to be treated with respect by other members of the community. Lectures, office hours, and group working time should be spaces where everyone feels welcome and safe. In order to facilitate a welcoming environment, students of this course are expected to :

- Exercise consideration and respect in their speech and actions.

- Attempt collaboration and consideration, including listening to opposing perspectives and authentically and respectfully raising concerns, before conflict.

- Refrain from demeaning, discriminatory, or harassing behavior and speech.

If you feel like your performance in the class is being impacted by issues related to diversity in this course, please don't hesitate to talk with me. I want to be a resource for you. Remember that you can also submit anonymous feedback (which will lead to me making a general announcement to the class, if necessary to address your concerns). If you prefer to speak with someone outside of the course, then here is a link with some extra resources for you.

STUDENT SUPPORT SERVICES

For Students experiencing difficulties: we all have been there where we truly needed a helping hand. Beside coming to talk to me about it, here are two great resources at Penn.

- If you are experiencing academic difficulties: CASENET

- If you are experiencing mental health difficulties: CAPS

Tutoring: The Weingarten Center offers a variety of resources to support all Penn students in reaching their academic goals. All services are free and confidential. There are also some Econ graduate students that can be hired and provide services as Econ tutors. This is a private contract between you and them.

OTHER IMPORTANT DATES: September 12, course selection period ends; October 09, drop period ends; October 27, Grade Type Change Deadline; November 06, last day to withdraw from a course. Last day of classes is December 11.

VARIOUS CONTACTS:

- Logistical issues regarding joining or dropping the course: Please contact the undergraduate coordinator in the economics department, Emily Romanello. She is also very knowledgeable about requirements for majors etcetera.

- Technical issues regarding Canvas go to Penn Canvas help.

- Technical issues regarding Mylab site go to Pearson support.

- Concerns about homework, economics in general, or the material covered in class etc: contact either me or your TA.

DRAWBACK OF LATE ENROLLMENT: If you sign up for the class late, and you miss any graded assignment(s) as a result, those will count as zero.

TENTATIVE COURSE OUTLINE:

- **I) (Quick) Introduction**

    – Introduction to trade: some facts and figures.

    – The gravity model/equation.

- **II) Why do we trade?**

    – The Ricardian Model of Trade

    – The Standard Trade Model

    – Possibly the Hecksher-Ohlin model

    EXAM 01

- **III) Barrier to trade**

    – Tariffs

    – Quotas

    – Subsidies and Export Taxes.

    – Market Structure and trade: monopoly and monopolistic competition.

    EXAM 02

- **IV) Open Economy Macro**

    – Introduction to exchange rates: nominal versus real.

    – Covered interest rate parity.

    – Money: money demand and money supply. Links to the exchange rates.

    – Short run and long run determination of the exchange rates.

    – The monetary approach and absolute and relative PPP.

    – Possibly peg/fixed exchange rates and monetary unions.

    EXAM 03