



SYLLABUS

IBU212: ECONOMICS OF INTERNATIONAL BUSINESS

Semester I – 2003-04

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<i>Office Hours:</i>	<i>Morning:</i> Mon. 10:30-12:00; Tue. 10:0-12:00; Wed. 10:30-12:00 <i>Evening:</i> Sun. 19:00-20:00; Tue. 20:00-21:00; Thu. 19:00-21:00
<i>Prerequisite:</i>	MIE1102 (Microeconomics), MAE2102 (Macroeconomics)
<i>Number of Credits:</i>	3 Credits

Course Introduction: Economics of international business is the study of commercial activities that cross national frontiers for the purpose of satisfying the needs of individuals, organizations and nations. It teaches students about the global economy with real life examples. It focuses on theories of international trade, the benefits and costs of international trade, theories of foreign exchange rate, globalization and global corporations, exchange controls, the role of economic integration, the theory of customs union and the role of international financial institutions, such as the International Monetary Fund (IMF), and the World Bank (WB).

Course Objectives: After studying this course, the students will be able to:

- ▶ Understand the difference between international trade and interregional trade.
- ▶ Explain the importance of international trade.
- ▶ Assess the theories of International trade.
- ▶ Explain the gains from international trade.
- ▶ Explain the gains from international trade.
- ▶ Examine the case for and against protectionism.
- ▶ Understand the role of global corporations.
- ▶ Explain the levels of economic integration.
- ▶ Analyze the theories of foreign exchange rate
- ▶ Understand the various types of exchange rate systems.
- ▶ Explain the role of international cartels
- ▶ Assess the working of IMF and the World Bank.

Course Contents:

- ▶ Overview of international economics and international business
- ▶ Theories of international trade.
- ▶ Gains from trade
- ▶ Free trade and protectionism
- ▶ Role of global corporations
- ▶ Economic integration
- ▶ Theories of exchange rate systems
- ▶ Exchange controls
- ▶ International cartels
- ▶ IMF and World Bank

Core text:

Husted, Steven / Melvin, Michael (2000) International Economics, 5th edition, Pearson Education Ltd., Harlow, England, SIBN 0-321-07746-6

References:

Additional Reading, Reference Books:

Ellis, John / Williams, David (1995) International Business Strategy, Financial Times, Pitman publishing, London, U.K.

Dunn, Robert M. Jr. / Ingram, James C. (1996) International Economics, 4th edition, John Wiley and sons inc, New York, U.S.A., Harlow, England.

Gerber, James (1999) International Economics, Addison-Wesley, Harlow, England.

Salvatore, Dominick (2001) International Economics, 7th edition, John Wiley and sons Inc., New York, U.S.A.

Walther, Ted (1997) The World Economy, John Wiley and sons, Inc, New York, U.S.A.

Kreinin, Mordechai E. (1995) International Economics, 7th edition, The Dryden press, New York, U.S.A.

Hill, Charles W.L. (2001) International Business, 3rd edition, Mc Graw Hill/Irwin, Boston, U.S.A.

Internet related Sources:

There are around 4000 full-text search journals and newspapers' articles around the world, as well as case studies available in the following E-library resources:

www.econwpa.wustl.edu
www.economics.about.com
www.neweconomics.org
www.helsinki.fi/webec/html
www.ft.com
www.wsi.com
www.eiu.com
www.netlibrary.com
www.netadvantage.standardpoor.com
www.ebsco.com

Course Policies:

Attendance:

Academic Dishonesty:

Delivery Methods & Class Schedule: This course is delivered in the form of interactive lectures summarized in handouts and accompanied by transparency presentations. Most important issues within each concept and/or topic are clarified through discussions and class participation. Topics will be delivered according to the following schedule:

WEEK	DATE	CONCEPT/TOPIC	MODE/AID*	SOURCE
1		Overview of International Economics & International Business	L / T / D / H	CT 1, pp 1-26
2		The classical model of International Trade	L / T / D / H	CT 3 pp 53-84
3		The Heckscher-Ohlin theory	L / T / D / H	CT 4 pp 85-120
4		Gains from trade	L / T / D / H	CT 6 pp 147-188
5		Tariffs & trade theory	L / T / D / H	CT 6 pp 147-188
6		Non-tariff barriers & Protectionism	L / T / D / H	CT 7 pp 189-218
7		International commercial practices	L / T / D / H	CT 8 pp 219-250
8		<i>MID-TERM EXAM</i>	Descriptive	Open Questions Test
9		International finance & the balance of payments.	L / T / D / H	CT 11, 12 pp. 305-336
10		Foreign Exchange Market	L / T / D / H	CT 13 pp 337-362
11		Exchange Rate Theories	L / T / D / H	CT 14, 18 pp 363-380, 451-470
12		Types of Foreign Exchange Rate	L / T / D / H	CT 15, 16 pp 381-422
13		The International Monetary System	L / T / D / H	CT 19, 20 pp 471-522
14		Open-Economy Policy	L / T / D / H	CT 21 pp 523-542
15		Revision		
16		<i>FINAL EXAM</i>		

* - **L** = Lecture; **T** = Transparency; **D** = Discussion; **H** = Handouts; **CT** = Core Text

Assessments / Grading:

Students' performance is assessed in each registered course out of 100 percent marks*. Current course grading will be based on the following weighted assessments:

TYPE OF ASSESSMENT	WEIGHT TOWARD THE FINAL GRADE, %	SCHEDULE/TIMING
QUIZ 1:	5	Week 3
QUIZ 2	5	Week 6
MID-TERM EXAM	20	Week 8
QUIZ 3:	5	Week 10
ASSIGNMENT	10	Week 12
QUIZ 4	5	Week 14
PARTICIPATION & ATTENDANCE	10	Weekly
FINAL EXAM	40	Week 15

* - **For the grading scale of 100: A** is 90 points & above; **B**=80-89; **C**=70-89; **D**=60-79; **F** is 59 & below

Penalties:

Quizzes: Student who failed to take a scheduled quiz receives zero points for this quiz. In case of an excusable reason (sickness or critical family matters) (s)he will have one week to pass a *verbal test* over the corresponding to this quiz topics.

Assignments: Assignments are due on the date specified in the assignment. Late submissions are penalized by the top-grade discounts: 20 percent within *one week* after the deadline (top grade 80 instead of 100), 50 percent within *second week* after the deadline (top grade 50 instead of 100). Student who failed to submit assignment *after two weeks* from the deadline receives zero points for the assignment.

Mid-Term & Final Exams: Penalties, as well as all other regulations for these assessments are imposed according to current college policies.

Last Updated: May 4, 2003