

ECON 357 Globalization and International Business

Autumn 2009

Instructor

Constantine Boussalis

Email: constantine.boussalis@cgu.edu

Office: TBA

Office Hours: After class, by appointment

Class Meetings

Monday Wednesday 3:00-4:50 PM

SB 203

Course Description

The objective of this course is to introduce students to the central concepts of international economics. An understanding of the theoretical underpinnings of international trade and finance allows for a structured approach to analyzing the global economy. Key debates such as free trade and the role of international economic institutions such as the WTO and World Bank will be rigorously reviewed. Our exploration into international finance will introduce the student to important concepts such as the balance of payments, exchange rate regimes and, quite relevant today, international financial crises. Lastly, students will become familiar with important regional issues such as economic and political integration in Europe and the dynamics of the economic ascent of India and China.

Course Requirements and Policy

Exams (25% each)

There will be two in-class written examinations in this class. Identification, short answers and essay format.

Risk Assessment Report (30%)

Decision makers in many businesses find that expanding their operations to other countries is in their best interest. These executives might find that their company can take advantage of an untapped market or an abundance of resources in a foreign territory. A move to “look global” has benefited many companies in the past. However, there are many risks that an executive might consider before such a move is taken. Every country that a business considers as a destination for international expansion carries with it potential barriers and benefits.

Working in groups, students will have to write a 10 – 15 page report and orally present to the “CEO” on the feasibility, possible benefits, and costs of expansion into three countries, each from a different region of the world (North America, Latin America, Europe, Africa, Asia, Oceania). International trade and finance theory must guide your analysis. Evidence from the literature and observational data must also be used to support your claims. More details on the requirements of the report will be made available in class.

Presentation (10%)

Each group will present the results of their investigation in a 20 minute PowerPoint presentation. A five minute Q&A session will follow. Students will be graded on content and presentation style.

Participation (10%)

Students are expected to attend every class meeting and are responsible for participating in class discussions. Absence due to a family emergency or severe illness is allowed but the instructor must be informed *before* class.

Cheating and Plagiarism

Please don't. The La Sierra University Administration will be contacted if a case of cheating or plagiarism arises. See the handout on plagiarism distributed in class. If you are paraphrasing, cite the source. If you are quoting, use quotation marks and appropriate citation. Remember that academic integrity is a reflection of one's character.

Make-up Exams, Late Work and Incompletes

Only under extraordinary circumstances will the instructor allow for a make-up examination. Late work will be penalized a whole letter grade. Incompletes will be allowed only for family or illness reasons.

Required Text

James Gerber. 2008. *International Economics*. Fourth Edition. Pearson Addison Wesley.
ISBN: 978-0-321-41555-4

Reading Assignments and Course Schedule

**Note that this schedule is tentative and that the instructor reserves the right to alter elements at any time.*

Meeting 1 – September 21st

Course Introduction / Historical overview of Global Trade, 1400-1800
Chapter 1. The United States in a Global Economy

Meeting 2 – September 23rd

Chapter 2. International Economic Institutions since World War II

Meeting 3 – September 28th

Chapter 3. Comparative Advantage and the Gains from Trade
Chapter 4. Comparative Advantage and Factor Endowments

Meeting 4 – September 30th

Chapter 5. Beyond Comparative Advantage.

Meeting 5 – October 5th

Chapter 6. The Theory of Tariffs and Quotas

Meeting 6 – October 7th

Chapter 7. Commercial Policy

Meeting 7 – October 12th

Chapter 8. International Trade and Labor and Environmental Standards

Meeting 8– October 14th (FIRST EXAM)

Meeting 9 – October 19th

Chapter 9. Trade and the Balance of Payments

Meeting 10 – October 21st

Chapter 10. Exchange Rates and Exchange Rate Systems

Meeting 11 – October 26th (**Firm and Expansion Report Due**)

Chapter 11. An Introduction to Open Economy Macroeconomics

Meeting 12 – October 28th

Chapter 12. International Financial Crises

Meeting 13 – November 2nd

Corruption and Ease of Doing Business

Smith (2007) *A Culture of Corruption*, Introduction

Meeting 14 – November 4th

Chapter 17. China and India in the World Economy

Meeting 15 – November 9th

Chapter 13. Economic Integration in North America

Meeting 16 – November 11th

Chapter 14. The European Union: Many Markets into One

Meeting 17 – November 16th

Chapter 15. Trade and Policy Reform in Latin America

Meeting 18 – November 18th

Chapter 16. Export-Oriented Growth in East Asia

November 21st – 29th (**THANKSGIVING BREAK**)

Meeting 19 – November 30th (**PRESENTATIONS**)

Meeting 20 – December 3rd (**REVIEW**)

Meeting 21 – December 7th through 10th (**SECOND EXAM**)