**International Economic Relations (875.512)[[1]](#footnote-1)**

**Instructor: Ahn, JaeBin (**jaebin.ahn@snu.ac.kr**)**

**Class hours: 2021 Fall semester; Mondays 14:00-17:00 (140-1; #101)[[2]](#footnote-2)**

**Office hours: By appointment only (140-1; #602)**

**Teaching Assistant: Park, Chul Soo (**chulsoo@snu.ac.kr**)**

**Prerequisite Course:**

Freshman Seminar on Economics (AI courses accessible via GSIS)

**Course Description:**

This is the mandatory course for commerce major students, introducing the main concepts and methods of international economics with applications drawn from the real world. The main goal of the course is to help students well equipped with economic concepts for advanced elective courses and independent research going forward.

The first part of the course is an introduction to international trade theory. In this part, we spend most of classes in exploring the theoretical foundations of international trade, focusing on why nations trade, what they trade, and in what sense international trade is beneficial to trading countries. Also considered will be trade policies and the institutions that determine trade policy. The second part is an introduction to the theoretical foundations of international finance. This part will cover the basics of the international macroeconomics, focusing on why the balance of payments is important to the national economies, how the exchange rates are determined, and how open macroeconomic policies are undertaken. Also considered will be policy coordination among countries under alternative exchange rate systems.

**Keywords:**

International economics, international finance, international trade, trade policy, exchange rate policy, open economy macroeconomics.

**Materials and Reference:**

Required textbook

[*International Economics: Theory and Policy* (Krugman, Obstfeld & Melitz; Pearson)](http://snu-primo.hosted.exlibrisgroup.com/primo_library/libweb/action/display.do?tabs=requestTab&ct=display&fn=search&doc=82SNU_INST21602223320002591&indx=2&recIds=82SNU_INST21602223320002591&recIdxs=1&elementId=1&renderMode=poppedOut&displayMode=full&frbrVersion=&frbg=&dscnt=1&scp.scps=scope%3A%2882SNU_ROSETTA%29%2Cscope%3A%2882SNU_COURSE%29%2Cscope%3A%2882SNU_INST%29%2Cscope%3A%2882SNU_SSPACE2%29%2Cprimo_central_multiple_fe&tb=t&vid=82SNU&mode=Basic&tab=all&srt=rank&prefLang=en_US&dum=true&vl(freeText0)=International%20Economics%20%28Krugman%2C%20Obstfeld%20%26%20Melitz%3B%20Pearson%29&fromLogin=true&dstmp=1547430906115)

Optional textbook:

[*International Trade* (Feenstra and Taylor; Worth publishers)](http://snu-primo.hosted.exlibrisgroup.com/primo_library/libweb/action/display.do?tabs=requestTab&ct=display&fn=search&doc=82SNU_INST21620187560002591&indx=1&recIds=82SNU_INST21620187560002591&recIdxs=0&elementId=0&renderMode=poppedOut&displayMode=full&frbrVersion=&frbg=&&dscnt=0&scp.scps=scope%3A%2882SNU_ROSETTA%29%2Cscope%3A%2882SNU_COURSE%29%2Cscope%3A%2882SNU_INST%29%2Cscope%3A%2882SNU_SSPACE2%29%2Cprimo_central_multiple_fe&tb=t&mode=Basic&vid=82SNU&srt=rank&tab=all&dum=true&vl(freeText0)=International%20Trade%20%28Feenstra%20and%20Taylor%3B%20Worth%20publishers%29&dstmp=1547430981342)

*[International Financial Management](https://primoapac01.hosted.exlibrisgroup.com/primo-explore/fulldisplay?docid=82SNU_INST21622683230002591&context=L&vid=82SNU&lang=en_US&search_scope=ALL&adaptor=Local%20Search%20Engine&tab=all&query=any,contains,international%20financial%20management%20hodrick&offset=0)* [(Bekaert and Hodrick; Pearson)](https://primoapac01.hosted.exlibrisgroup.com/primo-explore/fulldisplay?docid=82SNU_INST21622683230002591&context=L&vid=82SNU&lang=en_US&search_scope=ALL&adaptor=Local%20Search%20Engine&tab=all&query=any,contains,international%20financial%20management%20hodrick&offset=0)

**Evaluation Method:**

* Class attendance and participation: 10%
* Problem sets (individual; 2 times): 20%
* Midterm and Final exams: 70% (35% each; **Offline, in-class exams unless notified otherwise**)

**Lecture Plan (tentative; subject to changes):**

Week 1 (Sep.6): Introduction and Course Overview

Week 2 (Sep.13): Ricardian model (KOM, Ch.3)

Week 3 (Sep.20): No class (National Holiday)

Week 4 (Sep.27): Heckscher-Ohlin model (KOM, Ch.5)

Week 5 (Oct.4): No class (Substitute Holiday)

Week 6 (Oct.11): No class (Substitute Holiday)

Week 7 (Oct.18): Specific factors model (KOM, Ch.4)

Week 8 (Oct.25):Standard trade models (KOM, Ch.6); New trade model (KOM, Ch.7-Ch.8)

Week 9 (Nov.1): A model of trade policy (KOM, Ch.9-Ch.12)

Week 10 (Nov.8): **Midterm Exam**

Week 11 (Nov.15): **Guest Lecture by Prof. Choi, Jaerim (University of Hawaii, Manoa)**: Foreign Direct Investment and Offshoring (KOM, Ch.8)

Week 12 (Nov.22): National income accounting and balance of payments (KOM, Ch.13)

Week 13 (Nov.29): Exchange rates determinations (KOM, Ch.14-Ch.16)

Week 14 (Dec.6): Open economy macroeconomics (KOM, Ch.17)

Week 15 (Dec.13): Exchange rate regimes (KOM, Ch.18-Ch.19); Wrap up—Current issues and practices in external sector assessment

Week 16 (Dec.20): **Final Exam**

1. Last revised on Sep.5.2021. [↑](#footnote-ref-1)
2. Lectures will be conducted via a real-time online lecture until further notice (except for mid-term and final exams that will be taken in class). [↑](#footnote-ref-2)