

## Course Description – International Economics

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### Table of content

1. Introduction	2
2. Overview	2
3. Course objectives	2
4. Course duration	2
5. Prerequisites	2
6. Course Content	3
Lecture 1. Introduction to International Economics	
Lecture 2. Theories of International Trade. Classical Theories	
Lecture 3. Theories of International Trade. Neoclassical Theories	
Lecture 4. Foreign Trade Regulation: Tariff Methods	
Lecture 5. Foreign Trade Regulation: Non-Tariff Methods	
Lecture 6. International Labor Migration	
Lecture 7. International Capital Flows	
Lecture 8. International Service Market	
Lecture 9. Integration Processes in World Economy	
Lecture 10. Competition between National Economies	
7. Grading	4

## **1. INTRODUCTION**

International economics deals with economic relations between the nations. Understanding of international economic processes is necessary for those who wish to work in the field of economy, international relations and public administration.

## **2. OVERVIEW**

The course focuses on international trade of goods and services. The issues discussed include theoretical basis of international trade, gains of international trade and their distribution, consequences of government intervention into economic relations, workforce and capital flows, integration processes and analysis of positions of different countries on the international economic arena.

## **3. COURSE OBJECTIVES**

By the end of the course the students are expected to:

- understand the processes of international economic relations as the part of global market economy development;
- acquire skills that would help them to take rational decisions in issues related with the international economy.

## **4. COURSE DURATION**

40 hours

- Lectures – 20 hours
- Practical classes – 10 hours
- Independent work – 10 hours

## **5. PREREQUISITES**

The prerequisites for this course are principles of Microeconomics and principles of Macroeconomics. It is also assumed that students are reasonably familiar with basic mathematical tools, graphics and simple statistics.

## **6. COURSE CONTENT**

### ***Lecture 1. Introduction to International Economics***

- The concept of international economics and world economy
- Transactors of world economy
- International division of labor
- Forms of international economic relations

### ***Lecture 2. Theories of International Trade. Classical Theories***

- Mercantilism
- Theory of absolute advantage: Adam Smith
- Comparative advantage: David Ricardo
- Reciprocal demand theory: J.S. Mill

### ***Lecture 3. Theories of International Trade. Neoclassical Theories***

- Heckscher-Ohlin theory
- Leontief's paradox

### ***Lecture 4. Foreign Trade Regulation: Tariff Methods***

- Foreign trade policy
- Tariff method of foreign trade regulation

### ***Lecture 5. Foreign Trade Regulation: Non-Tariff Methods***

- Classification of non-tariff methods
- The economic effects of quota

### ***Lecture 6. International Labor Migration***

- Labor as a factor of production
- Basic terms
- Causes and consequences of migration
- Current state of world migration process
- Economic analysis of migration process

### ***Lecture 7. International Capital Flows***

- Investment. Types of investment
- Investment climate
- Economic analysis of capital flows

***Lecture 8. International Service Market***

- Three-sector theory of a national economy
- Characteristics and classification of services
- International services trade
- Travel services (international tourism)
- Transport services

***Lecture 9 Integration processes in the world economy***

- The concept of economic integration
- Forms of economic integration
- Present day integration groups

***Lecture 10. Competition between national economies***

- Classification of countries
- Theory of competitive advantages of national economies

**7. GRADING**

The grading will be based on three parts

<b>Evaluation item</b>	<b>Evaluation proportion</b>	<b>Remarks</b>
<b>Attendance</b>	10%	80% of the classes
<b>Practice tasks</b>	40%	All the practice tasks should be completed
<b>Final Exam</b>	50%	