

**ECON 4304**  
**INTERNATIONAL ECONOMICS**  
**Sul Ross State University**  
**Dr. T.C. Carson**

International economics deals with economic relations among nations. The resulting interdependence is very important to the economic well-being of most nations of the world and is on the increase.

The economic relations among nations differ from the economic relations among the various parts of a nation. This gives rise to different problems, requiring somewhat different tools of analysis, and justifies international economics as a distinct and separate branch of applied economics.

**Course Overview:**

International economics is different. Nations are not like regions or families. They are sovereign, meaning that no central court can enforce its will on them with a global police force. Sovereign nations can (and do) put up all sorts of trade barriers between their members and the outside world, and they can be more indifferent to the interests of others. The study of international economics, like all branches of economics, concerns decision making with respect to the use of scarce resources to meet desired economic objectives.

This course will focus on how international transactions influence such things as social welfare, income distribution, employment, growth, and price stability, and the possible ways public policy can affect the outcomes. We will examine the basis for trade, trade theories, determinants of the value and volume of trade, factors that impede trade flow, how exchange rates are determined, and how international transactions affect the use of monetary and fiscal policy to pursue domestic targets.

All online courses require your personal commitment and the ability to manage your time to meet assignment deadlines. Read the information in the **Distance Education Statement** link before you begin this course.

## **Course Objectives:**

After successful completion of this course, students will be able to:

1. Explain how international economics is different and be able to demonstrate knowledge of the basic theories of international trade.

*Assessment:* Chapter quiz, lexicon exercise, written exam.

2. Understand how comparative advantage, factor availability, and factor proportions are key issues in international trade.

*Assessment:* Trade equilibrium exercise, graphing assignments, chapter quiz, written exam.

3. Be able to demonstrate who gains and who loses from trade and differentiate between alternative theories of trade.

*Assessment:* PPC exercise, trade theory quiz, written exam.

4. Demonstrate understanding of current trade policy, including tariff and nontariff barriers to trade and arguments for and against protection.

*Assessment:* Chapter quiz, opening trade exercise, written exam.

5. Understand the function and formation of regional trade blocs and the effects of trade on the environment.

*Assessment:* Technology and trade exercise, chapter quiz, written exam.

6. Understand trade policies for developing countries, the foreign exchange market, and determinants of exchange rates.

*Assessment:* Country profiles, chapter quiz, transition quiz, written exam.

## **Lecture Focus:**

Chapter 1 – Four Controversies, Economics and the Nation-State

Chapter 2 – Four Questions About Trade, Demand and Supply, The Opening of Trade

Chapter 3 – Absolute Advantage, Comparative Advantage, Constant Costs and the PP Curve.

Chapter 4 – Production With Increasing Marginal Costs, Indifference Curves, Production and Consumption Together, Gains from Trade, Determinants of Trade Patterns, H-O Theory.

Chapter 5 – Who Gains/Loses from Trade, Three Implications of the H-O Theory, Trade Patterns, Export-Oriented and Import-Competing Factors.

Chapter 6 – Scale Economies, Intra-Industry Trade, Monopolistic Competition, Oligopoly and International Trade.

Chapter 7 – Balanced versus Biased Growth, Growth in Only One Factor, Changes in Willingness to Trade, Effects on Terms of Trade, Technology and Trade.

Chapter 8 – Effect of a Tariff on Domestic Producers/Consumers, Tariff as Government Revenue, Net National Loss, Nationally Optimal Tariff.

Chapter 9 – Types of Nontariff Barriers to Imports, VER's, Other Nontariff Barriers.

Chapter 10 – Ideal World of First Best, Realistic World of Second Best, Promoting Domestic Production/Employment, Arguments for Protection.

Chapter 11 – Dumping, Export Subsidies, Imposing Countervailing Duties, Strategic Export Subsidies.

Chapter 12 – Types of Economic Blocs, Trade Discrimination, Theory of Trade Blocs, Other Possible Gains from a Trade Bloc, Trade Blocs Among Developing Countries, Trade Embargoes.

Chapter 13 – Is Free Trade Antienvironment, Trade and Domestic Pollution, Transborder Pollution.

Chapter 14 – Which Trade Policy for Developing Countries, International Cartels, ISI,

Chapter 16 – Accounting Principles, Balance of Payments, Macro Meaning of the Overall Balance.

Chapter 17 – The Basics of Currency Trading, Demand and Supply for Foreign Exchange, Fixed and Floating Exchange Rates.

### **Class Format:**

#### **Grades:**

The course requirements will consist of three objective exams and weekly Discussion Board assignments. Exam questions will focus on the important issues in each chapter as well as the issues and questions on the Discussion Board assignments.

The three exams will comprise 80% of your grade and your responses to the chapter discussion questions will be 20% of your grade. Discussion questions for each chapter will have a specific due date and time. No late responses will be read or graded.

#### **Text:**

**International Economics**, 16<sup>th</sup> edition, by T. Pugel, McGraw-Hill Irwin Publishers. ISBN: 978-0-07-802177-0

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## **Marketable Skills for the BBA**

1. Students will have the ability to apply the principles of business they learn in the BBA to the management of existing businesses or the creation of a new business.
2. Students will have the ability to use research and analysis to make informed decisions.
3. Students will have the ability to write business letters, emails, resumés, and reports.
4. Students will have the ability to make effective oral presentations to both professional and general audiences.

## **SRSU Distance Education Statement.**

Students enrolled in distance education courses have equal access to the university's academic support services, such as library resources, online databases, and instructional technology support. For more information about accessing these resources, visit the SRSU website. Students should correspond using Sul Ross email accounts and submit online assignments through Blackboard, which requires secure login. Students enrolled in distance education courses at Sul Ross are expected to adhere to all policies pertaining to academic honesty and appropriate student conduct, as described in the student handbook. Students in web-based courses must maintain appropriate equipment and software, according to the needs and requirements of the course, as outlined on the SRSU website. Directions for filing a student complaint are located in the student handbook.

## **Libraries**

The Bryan Wildenthal Memorial Library in Alpine.

Offers FREE resources and services to the entire SRSU community. Access and borrow books, articles, and more by visiting the library's website, [library.sulross.edu](http://library.sulross.edu). Off-campus access requires logging in with your LobolD and password. Librarians are a tremendous resource for your coursework and can be reached in person, by email ([srsulibrary@sulross.edu](mailto:srsulibrary@sulross.edu)), or phone (432-837-8123).

The Southwest Texas Junior College (SWTJC) Libraries at Uvalde, Del Rio, and Eagle Pass.

Offer additional access to library spaces and resources. Del Rio, Eagle Pass, and Uvalde students may also use online resources available through SWTJC website,

[library.swtjc.edu](http://library.swtjc.edu). The SWTJC Libraries serve as pick-up locations for InterLibrary Loan (ILL) and Document Delivery from the Alpine campus.

### **Academic Integrity**

Students in this class are expected to demonstrate scholarly behavior and academic honesty in the use of intellectual property. A scholar is expected to be punctual, prepared, and focused; meaningful and pertinent participation is appreciated. Examples of academic dishonesty include but are not limited to: Turning in work as original that was used in whole or part for another course and/or professor; turning in another person's work as one's own; copying from professional works or internet sites without citation; collaborating on a course assignment, examination, or quiz when collaboration is forbidden.

### **Classroom Climate of Respect**

Importantly, this class will foster free expression, critical investigation, and the open discussion of ideas. This means that all of us must help create and sustain an atmosphere of tolerance, civility, and respect for the viewpoints of others. Similarly, we must all learn how to probe, oppose and disagree without resorting to tactics of intimidation, harassment, or personal attack. No one is entitled to harass, belittle, or discriminate against another on the basis of race, religion, ethnicity, age, gender, national origin, or sexual preference. Still we will not be silenced by the difficulty of fruitfully discussing politically sensitive issues.

### **Diversity Statement**

"I aim to create a learning environment for my students that supports a diversity of thoughts, perspectives and experiences, and honors your identities (including race, gender, class, sexuality, religion, ability, socioeconomic class, age, nationality, etc.). I also understand that the crisis of COVID, economic disparity, and health concerns, or even unexpected life events could impact the conditions necessary for you to succeed. My commitment is to be there for you and help you meet the learning objectives of this course. I do this to demonstrate my commitment to you and to the mission of Sul Ross State University to create an inclusive environment and care for the whole student as part of the Sul Ross Familia. If you feel like your performance in the class is being impacted by your experiences outside of class, please don't hesitate to come and talk with me. I want to be a resource for you."

### **SRSU Disability Services**

SRSU Disability Services. Sul Ross State University (SRSU) is committed to equal access in compliance with Americans with Disabilities Act of 1973. It is SRSU policy to provide

reasonable accommodations to students with documented disabilities. It is the student's responsibility to initiate a request each semester for each class. Students seeking accessibility/accommodations services must contact Rebecca Greathouse Wren, LPC-S, SRSU's Accessibility Services Coordinator at 432-837-8203 (please leave a message and we'll get back to you as soon as we can during working hours), or email [rebecca.wren@sulross.edu](mailto:rebecca.wren@sulross.edu). Our office is located on the first floor of Ferguson Hall (Suite 112), and our mailing address is P.O. Box C-122, SUI Ross State University, Alpine, Texas, 79832.

