



FLOR BUSN 3374
International Economics

CAPA FLORENCE PROGRAM

Fall 2016

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Class times	:	Tuesdays 12:00-/15.00
Classroom location	:	Classroom 6
Office Hours	:	by appointment

Course Description

The International Economics module provides an understanding of the key economic issues in the global business environment. The course provides an understanding of how global businesses are impacted by real world developments in economics, politics and finance. The business environment is dynamic in nature. The course coverage is therefore updated periodically to include current real world evidence as well as recent academic and empirical findings. The five broad topics covered in the course are: Globalisation, Country Differences, Cross-Border Trade & Investment, the Global Monetary System, and Competing in a Global Market Place. An overview of these five topics is provided below.

Globalisation: Understanding the historical context of globalisation is the starting point for developing insights into the state of globalisation today. This topic discusses the drivers and importance of globalisation, the emergence of the Bretton Woods global institutions in the post-War period, the state of the globalisation debate and the impact of globalisation on developed and developing countries.

Country Differences: This topic provides an introduction to political and economic systems and the determinants of economic development. It looks at the transition from socialist to capitalist economies after the collapse of the Soviet Union and the challenges faced by countries in managing this economic transition. It examines the key issues in economic development and the rise of developing economies in Asia, Latin America, Eastern Europe and Africa.

Cross-Border Trade & Investment: The third topic reviews international trade and investment flows – portfolio and foreign direct investment – in the globalized context. It examines the theoretical underpinnings of capital and trade movements, providing country case studies to illustrate the supply-demand factors affecting these flows. The topic also places these cross-border flows in the context of economic integration – for example, the European Union, NAFTA, Mercosur, World Trade Organisation, and the recent developments towards free trade pacts between Asia-Pacific, Europe and the Americas.

Global Monetary System: Starting with the Bretton Woods institutions like the International Monetary Fund, the World Bank and other multilateral institutions, the topic provides an understanding of the global foreign exchange markets and the international monetary system. These institutions provide the backbone and the regulatory framework for international economics; the topic develops an understanding of their operations, management and challenges.

Competing in a Global Market Place: The final topic builds upon the understanding gained thus and reviews the opportunities and economic and political risks of participating in the global market place. The discussions include import-export and investment strategies, offshoring production, and management of human resources to compete effectively.

Course Aims

The course will provide the tools to examine critically the current economic landscape. There will be an emphasis on the the interaction between international economics and business through discussions of current economic and political development.

Requirements and Prerequisites

There are no prerequisites. Students from a variety of backgrounds and interests are encouraged to take this class. The course emphasizes this academic area from a global perspective. Students with a high degree of motivation and desire to learn about the international and global aspects of business will benefit from this course

Learning Outcomes

- a. Gain a broad understanding of the key issues in international economics.
- b. Develop an understanding of the political and economic context within which international economics operates.
- c. Apply the various theoretical aspects of the principles of finance and economics in an international context.
- d. Recognize the main economic development issues faced by developing countries.
- e. Gain a good working knowledge of the international economic environment and recognize the linkages between political, economic and financial developments and their impact on international business.
- f. Gain a good working knowledge of the operations and key issues surrounding international capital and trade flows, foreign direct investment, international capital markets and institutions.
- g. Analyze and synthesize a complex set of inter-related factors influencing the economic outcomes for developing countries and emerging economies in a global economy, and to engage in public debate in a measured and critical manner.

Developmental Outcomes

Students will develop the following skills during this course:

- a. Problem analysis
- b. Developing good reading habits
- c. Critical thinking
- e. Working independently and as part of a team
- f. Personal reflection

The academic approach of this course incorporates gaining an appreciation of four essential learning and development outcomes: globalization, urban environment, social dynamics and diversity. Students taking this course will benefit from these rich perspectives.

Students should also demonstrate: responsibility & accountability, independence & interdependence, goal orientation, self-confidence, resilience and appreciation of differences.

Class methodology

This class will be participative and will require students to contribute individually and as part of a team. The course content and delivery will create a framework where students reflect critically on the weekly discussion topics. The students will be expected to devote an hour per day keeping up with the current issues in international finance. Expected reading sources should include The Economist, Financial Times and The New York Times.

The teaching and learning methods will be a blend of the following:

- a. Lectures
- b. Reflections and observations
- c. Readings on current topics
- e. Class discussions
- f. Students presentations and/or research paper.

Mid-Term & Final Exams

The International Economics module may include quantitative as well as qualitative assessments.

The mid-term and final exams may include a combination of multiple-choice and/or short essay questions on general topics covered in the first half of the course. The final exams will be cumulative and cover the entire course material, with emphasis on essay questions and the analysis of current events. There will also be a final research paper.

Research Paper Guidelines: Students will select any one of the topics that are covered in the course. There are two options for approaching the paper.

The first option is to focus on specific topic and analyze in depth. The aim is to identify a small aspect of the theoretical discussion and focus sharply on it. The lectures' topics/chapters are rather broad and there is a necessity to narrow down the research topic significantly. The next step is to identify a case study or identify sufficient data that fits the selected topic. The cases can be current or recent economic/financial events, but they can also be event/s from a historical perspective. The final step will be to provide a thorough analysis. How does the case study or evidence fit into the theoretical discussion? Are the facts consistent with the theory? Explain why (or why not). What lessons did you learn from this project? This analysis will carry the highest weight for this assignment.

The second option is to implement all the acquired knowledge and apply it to a business decision of whether to enter or not a certain market for a certain product.

Projects will be presented to the rest of the class in the last week of the course. Students will provide status updates to the lecturer, in order to receive guidance and feedback.

Class Participation: The lecturer will distribute readings from magazines such as The Economist, The Financial Times, etc. weekly via e-mail and there will be a discussion of current events at the beginning of each class. At the end of each lecture, the lecturer will deliver some "thought questions", about the topics presented. This will also be discussed at the beginning of each class. Questions about the topics presented in each lecture are, of course, welcomed and graded as class participation.

Grading

Students must complete all required components for this course by the established deadlines. Failure to do so will result in a reduction of the course grade and may result in a grade of F for the course.

The final grade will be the aggregate of the various assessments and be weighted as follows: Midterm: 20%; Final exam: 30%; Research paper & presentation: 40%;Class participation: 10%.

The overall grading matrix is shown below:

Grade Breakdown and Assessment of Learning Outcomes			
Learning Outcomes	Assessment task	Grade %	Due Date

All of them	Class participation	10%	Weekly
a), b), c) d)	Mid-term exam	20%	Week 5
All of them	Final Exam	40%	Week 12
All of them	Research Paper	30%	Week 13
Overall grade		100%	

Descriptor	Alpha	UK	US	GPA
Excellent	A	75+	95+	4.0
	A-	70-74	90-94	3.7
Good	B+	66-69	86-89	3.3
	B	63-65	83-85	3.0
	B-	60-62	80-82	2.7
Average	C+	56-59	76-79	2.3
	C	53-55	73-75	2.0
Below Average / Poor	C-	50-52	70-72	1.7
	D+	46-49	66-69	1.3
	D	40-45	60-65	0.7
Fail	F	<40	<60	0

Course Materials

The course will be structured around one book. However, the course will rely on current events to discuss the subject. Slides will be used for each lecture and will be distributed after class. Students should also read newspapers and magazines such as the Financial Times, the Economist and the New York Times for each class to discuss current events in light of the topics of the course. The instructor will distribute some articles from magazines to students during the week, that will be discussed during the lecture.

Contents of the e-reader: Slides and news, updated on a weekly basis.

Recommended Reading(s):

Global Business Today, Hill, Charles W.L., Hernandez-Requejo, William (McGraw Hill, 7th Global edition, 2011).

It is fine to use previous editions or online versions of the textbook.

Weekly Course Schedule

WEEK 1	
Lesson # 1	Date 14-09-2016
Meet	12:00/15:00
Venue	Classroom 6.
In–class activity	Introduction. Review of course guidelines. Globalization: Institutions, Drivers, Debate.
Out–of–class activity	
Assignments	
Readings	Chapter 1
Notes	<u>Different day than usual!</u>

WEEK 2	
Lesson #2	Date 20-09-2016
Meet	12:00/15:00
Venue	Classroom 6.
In–class activity	Country Differences. National Differences in Political Economy, Determinants of Economic Development. Transition States..
Out–of–class activity	
Assignments	Discussion of thought questions from Lecture 1.
Readings	Chapter 2-4.
Notes	

WEEK 3	
Lesson #3	Date 27-09-2016
Meet	12:00/15:00
Venue	Classroom 6.
In–class activity	Culture. Perspectives (social, language, education, ethics). Managing Cultural Differences from International Businesses. Ethical Dilemmas.
Out–of–class activity	
Assignments	Discussion of thought questions from Lecture 2.
Readings	Chapter 2-4.
Notes	

WEEK 4	
Lesson #4	Date 4-10-2016
Meet	12:00/15:00
Venue	Classroom 6.
In–class activity	Cross Border Trade and Investment (Part 1). International Trade Theories. Political Economy of International Trade. Trade Policy.
Out–of–class activity	
Assignments	Discussion of thought questions from Lecture 3.
Readings	Chapters 5-6.
Notes	

WEEK 5	
Lesson #5	Date 11-10-2016

Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Cross Border Trade and Investment (Part 2). Foreign Direct Investment. Political Ideology. Costs and benefits. Government policy.
Out-of-class activity	
Assignments	Discussion of thought questions from Lecture 4.
Readings	Chapters 7-8
Notes	

WEEK 6

Mid Term	Date 18-10-2016
Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Mid Term
Out-of-class activity	
Assignments	
Readings	
Notes	Next week is the break, so we meet again two weeks from now.

WEEK 8

Lesson #6	TBD
Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Cross Border Trade and Investment (Part 3). Regional and Global Integration.
Out-of-class activity	
Assignments	Discussion of thought questions from Lecture 5.
Readings	Chapters 7-8
Notes	Makeup Class from 1/11/2016 (All saint's day)

WEEK 9

Lesson #7	Date 8-11-2016
Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Global Monetary System. Foreign Exchange Market. Historical Evolution of the International Monetary System. International Financial Institutions.
Out-of-class activity	
Assignments	Discussion of thought questions from Lecture 6.
Readings	Chapters 9-10.
Notes	

WEEK 10

Lesson #8	Date 15-11-2016
Meet	12:00/15:00

Venue	Classroom 6.
In-class activity	Competing in the Global Marketplace (Part 1). Strategies for Businesses. Entering Foreign markets. Research Paper Workshop.
Out-of-class activity	
Assignments	Discussion of thought questions from Lecture 7.
Readings	Chapters 11-16 (overview).
Notes	

WEEK 11

Lesson #9	Date 22-11-2016
Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Competing in the Global Marketplace (Part 2). Global Production and offshoring. Counter-trade. Research Paper Workshop.
Out-of-class activity	
Assignments	Discussion of thought questions from Lecture 8.
Readings	Chapters 11-16 (overview).
Notes	

WEEK 12

Lesson #10	Date 29-11-2016
Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Competing in the Global Marketplace (Part 2). Global Marketing and R&D. Global Human Resource Management. Review Session and Research Paper Workshop.
Out-of-class activity	
Assignments	Discussion of thought questions from Lecture 9.
Readings	
Notes	

WEEK 13

Final Exam	Date 6-12-2016
Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Final Exam
Out-of-class activity	
Assignments	
Readings	
Notes	

WEEK 14

Students' Presentation	Date 13-12-2016
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Meet	12:00/15:00
Venue	Classroom 6.
In-class activity	Research Paper presentations and discussion.
Out-of-class activity	
Assignments	
Readings	
Notes	

Student Responsibilities

Refer to the *Academic Handbook* for a complete outline of all academic policies. This page contains a summary only.

Attendance

CAPA has a mandatory attendance policy. Students are also expected to participate actively and critically in class discussions, and the participation portion of the class will be graded accordingly. Students must read assignments BEFORE the class, and come in on time. Attendance is mandatory and is taken at the beginning of every class. Unauthorized absence from class will result in a reduction of the final grade and ultimately in a F for the course.

Unexcused absences

All absences will be recorded on a central system by CAPA. If warnings are to be issued, they will be sent at the end of the week via email for first warnings, by letter and meeting for second or third written warnings, when home US institutions will be informed. If a student exceeds a Final Warning, she/he may be sent home at the discretion of the VP of Academic Affairs.

The warning process in the [contextual classes](#) is the following:

- ⊗ **First Absence:** email warning sent to student
- ⊗ **Second Absence:** written warning and meeting with student
- ⊗ **Third Absence:** home campus notified, final written warning and meeting with student
- ⊗ **Fourth Absence:** automatic drop from course, potential dismissal from the program

The instructor for the course may lower the student's participation grade based on the number of absences. For custom programs, some will follow our absence policy (like when CAPA sponsors visa) and some will not; see academic director for details.

Excused absences

Any student seeking to be excused from class on the ground of a verifiable illness (i.e. doctor's note) or a family emergency, must email the DAA (greverdito@capa.org) in advance of their class. The CAPA staff will then email the relevant Faculty member. Note that calling the CAPA Center (055-2466439) is acceptable only if you do not temporarily have access to the internet. An e-mail is still required as quickly as you can get access to the internet again. If a doctor's note is written to excuse a student from class, the student cannot use that time for personal travel. Please note: excused absences will NOT be granted to accommodate visiting friends or family. Students absent due to extenuating circumstances that have been approved by the Director of Academic Affairs in advance of the missed class, including family emergency or verifiable health-related incapacity, remain responsible for meeting all class requirements. Faculty shall offer such students reasonable assistance in making up missed work (e.g. share handouts).

Class Participation: Students are expected to participate actively and critically in class discussions, and the participation portion of the class will be graded accordingly. Students must read assignments BEFORE the class, and come in on time. Participation is a vital part of your grade: students are expected to participate orally in seminars and in online forums and discussions in a critical and evaluative manner; to interact with the faculty and fellow students with respect and tolerance; and to actively engage in discussion. Derogatory or inflammatory comments about the cultures, perspectives or attitudes of others in the class will not be tolerated.

Academic Integrity: A high level of responsibility and academic honesty is expected. Because the value of an academic course depends upon the absolute integrity of the work done by the student, it is imperative that a student demonstrates a high standard of individual honor in his or her scholastic work and class behavior. Plagiarism and cheating will result in dismissal from the program. See the Handbook of CAPA Academic Policies for more information and resources on plagiarism.

Use of electronic equipment in class: All devices such as laptops, I-pods, I-pads, netbooks, notebooks and tablets, smartphones, cell phones, etc. are **NOT** allowed unless you have express permission from the faculty or you have been instructed to do so. If you require an accommodation to use any type of electronic equipment, inform the Director of Academic Affairs at the beginning of Term.

Use of Electronic Translators: In Language courses students are NOT allowed to use electronic translators for writing texts in the target language: those submitting compositions and texts of whatever kind translated in such a fashion will receive a final F grade for the course.

Late Submission: Late submission of papers, projects, journal entries, pieces of homework and portfolios is only permitted with prior approval. A request must be made to the relevant Faculty member no later than two days prior to the due date. Late submission without prior approval will result in a full alpha grade penalty. In either case, work cannot be submitted after feedback has been provided to the rest of the class on the relevant assessment or one week after the due date whichever comes first, after which point a grade of F will be given for the assessment.

Behavior during Examinations: During examinations, you must do your own work. Unless specifically instructed by the lecturer or instructor, talking during an exam is not permitted, nor may you compare papers, copy from others, or collaborate in any way. Any failure to abide by examination rules will result in failure of the exam, and may lead to failure of the course and disciplinary action.