

COURSE PLAN

COURSE TITLE	International Economics
AIMS OF THE COURSE	<ul style="list-style-type: none"> • To acquire the analytical methods needed and understanding of how and when to apply different models and approaches to events in the world economy. • To provide an understanding of the intellectual and practical problems that arise from the economic interaction between countries. • To explain the international pattern of trade and specialisation and of the reasons why similar economies often trade more with each other than with dissimilar ones. • To provide an account of the sources of the gains from trade. • To offer explanations, in the monetary sphere, of the determinants of exchange rates; of the timing and causes of financial crises and an analysis of the channels of international economic interdependence.
LEARNING OUTCOMES	<p>At the end of the course and having completed the essential reading and activities students should be able to:</p> <ul style="list-style-type: none"> • Discuss and explain specific policy issues such as ‘environmentalism as protectionism’; international dumping; the choice of exchange rate regime; the desirability of free capital flows • Apply a specific framework to illustrate the connection between a variety of models and approaches. • Explain the connections between Ricardian, Heckscher-Ohlin and the specific factors models in trade theory or between the ‘monetary approach’ and the ‘asset approach’ in exchange rate theory. • Explain how international economic theory has been shaped by real world events.
LIST OF TOPICS	<p>International trade covers the reasons for trade and explanation of trade patterns and the gains accruing from trade or from restricting trade. These are core areas and call for extensive coverage. Linked to this core are a number of specific issues which must also be studied:</p> <ul style="list-style-type: none"> • increasing returns and trade; • international factor movements; • growth and trade; • income distribution and trade; • economic integration; • multinational enterprises; • ‘North-south’ issues. <p>Empirical evidence supplements the theoretical treatment. The European Union (EU), World Trade Organization (WTO) and the United Nations</p>

	<p>Conference on Trade and Development (UNCTAD) are institutionally involved in trade policy issues and their major concerns are included in the subjects to be studied.</p> <p>International finance covers the balance of payments, exchange rates and open-economy macroeconomics. Linked to this core are a number of specific issues which must also be studied:</p> <ul style="list-style-type: none"> • national income accounting; • spot and forward markets; • parity conditions; • exchange rate determination; • exchange rate regimes; • exchange rate stability and currency crises; • currency unions. <p>Empirical evidence, though often inadequate and conflicting, is relevant in many areas. Issues associated with the European Monetary System (EMS), the International Monetary Fund (IMF) and, in general, with international monetary relations are also included in the syllabus.</p>
MANDATORY READINGS	<p>Krugman, P., M. Obstfeld and M. Melitz <i>International Economics: Theory and Policy</i>. (Boston, Mass.; London: Pearson/Addison-Wesley, 2014) Pearson global edition; tenth edition [ISBN 9781292019550].</p> <p>In the second part of the syllabus, on international finance, there are a couple of instances where the above book is supplemented with required readings from one other textbook:</p> <p>Copeland, L. <i>Exchange Rates and International Finance</i>. (Harlow: Prentice Hall, 2014) sixth edition [ISBN 978-0273786047].</p>
SEMESTRAL ASSESSMENT	<p><i>Class activities of students will enable them to gain up to 100 points. The structure is as follows:</i></p> <p><i>(a) 50 points can be obtained through activity at classes (activity – 2 points, discussions – 3 points, presentations – 5 points);</i></p> <p><i>(b) 50 points maximum for essay on a defined topic.</i></p> <p><i>Students must obtain 41 and above class points to be able to register for the final exam.</i></p>
LIST OF LECTURERS	<ol style="list-style-type: none"> 1. Predrag Bjelić, Full professor (coordinator) 2. Radovan Kovačević, Full professor 3. Saša Ranđelović, Full professor 4. Ivana Popović Petrović, Associate professor 5. Radovan Kastratović, Assistant professor 6. Aleksandra Đorđević, Assistant professor

Workbook Chapter	Lecturer	Date	Time	No. of classes	Book Chapters
Introduction	Predrag Bjelic	27/09/2023	14-16 h	2	Intro
2: Ricardian model	Predrag Bjelic	28/09/2023	14-16 h	2	KOM, Ch.3
		04/10/2023	14-16 h	2	
		05/10/2023	14-16 h	2	
3: HOS model	Predrag Bjelic	11/10/2023	14-16 h	2	KOM, Ch.5
	(Maja Baćović)	12/10/2023	14-16 h	2	
		18/10/2023	14-16 h	2	
4: Specific factor model	Radovan Kastratovic	19/10/2023	14-16 h	2	KOM, Ch.4
		25/10/2023	14-16 h	2	
		26/10/2023	14-16 h	2	
5: Standard trade model	Radovan Kastratovic	01/11/2023	14-16 h	2	KOM, Ch.6 & App to Ch.6
		02/11/2023	14-16 h	2	
		08/11/2023	14-16 h	2	
6: Factor Movements	Aleksandra Djordjevic	09/11/2023	14-16 h	2	KOM, Ch.4, Ch.5, Ch.6 and Ch.8.
		15/11/2023	14-16 h	2	
		16/11/2023	14-16 h	2	
7: Imperfect competition	Radovan Kastratovic	22/11/2023	14-16 h	2	KOM, Ch.7 and Ch.8
		23/11/2023	14-16 h	2	
		29/11/2023	14-16 h	2	
8: Instruments of Trade Policy	Predrag Bjelic	30/11/2023	14-16 h	2	KOM, Ch.9 & App to Ch.9
		06/12/2023	14-16 h	2	
		07/12/2023	14-16 h	2	
9: Economic argument for protection	Ivana Popovic Petrovic	13/12/2023	14-16 h	2	KOM, Ch.10 and Ch.12
		14/12/2023	14-16 h	2	
		20/12/2023	14-16 h	2	
10: PTAs	Ivana Popovic Petrovic	21/12/2023	14-16 h	2	KOM, Ch.10
		27/12/2023	14-16 h	2	
		28/12/2023	14-16 h	2	
11: Trade policy in DC	Aleksandra Djordjevic	10/01/2024	14-16 h	2	KOM, Ch.11

		11/01/2024	14-16 h	2	
		17/01/2024	14-16 h	2	
12: NIC and BoP	Sasa Randjelovic	18/01/2024	14-16 h	2	KOM, Ch.13
		24/01/2024	14-16 h	2	
		25/01/2024	14-16 h	2	
13: Intro to foreign exchange markets	Radovan Kovacevic	31/01/2024	14-16 h	2	KOM, Ch.14 and Ch.15
		01/02/2024	14-16 h	2	
		07/02/2024	14-16 h	2	
14: Prices and ER	Sasa Randjelovic	08/02/2024	14-16 h	2	KOM, Ch.16
		14/02/2024	14-16 h	2	
		21/02/2024	14-16 h	2	
15: Output and the ER	Sasa Randjelovic	22/02/2024	14-16 h	2	KOM, Ch.17 and C, Ch.6
		28/02/2024	14-16 h	2	
		29/02/2024	14-16 h	2	
16: Fixed ER	Aleksandra Djordjevic	06/03/2024	14-16 h	2	KOM, Ch.18 and C, Ch.6
		07/03/2024	14-16 h	2	
		13/03/2024	14-16 h	2	
17: Currency crises	Radovan Kovacevic	14/03/2024	14-16 h	2	KOM, Ch.18 and Ch.22, C, Ch.15 and FT, C.20
		20/03/2024	14-16 h	2	
		21/03/2024	14-16 h	2	
18: Monetary systems	Sasa Randjelovic	27/03/2024	14-16 h	2	KOM, Ch.19
		28/03/2024	14-16 h	2	
		03/04/2024	14-16 h	2	
19: Optimum currency areas	Radovan Kovacevic	04/04/2024	14-16 h	2	KOM, Ch.21 and C, Ch.16
		10/04/2024	14-16 h	2	
		11/04/2024	14-16 h	2	
20: International capital markets	Radovan Kovacevic	17/04/2024	14-16 h	2	KOM, Ch.20 and C, Ch.11, Ch.12 and Ch.13
		18/04/2024	14-16 h	2	
		24/04/2024	14-16 h	2	
EXAM WORKSHOP	Radovan Kastratovic i Aleksandra Djordjevic	25/04/2024	14-16 h Consultations	4	
TOTAL				120	