**NEAR EAST UNIVERSITY  
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES**

**Department of Economics**

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| Course unit title | International Economics |
| Course unit code | ECON 401 |
| Type of course unit | Compulsory |
| Level of course unit | First cycle / Bachelor |
| Year of study | Fourth |
| Semester/trimester when the course unit is delivered | First Semester |
| Number of ECTS credits allocated | 6 |
| Name of lecturer(s) | Assist . Prof. Dr. Ergin Akalpler |
| Learning outcomes of the course unit | This course introduces microeconomic and macroeconomic issues relevant to the economic relations among countries. The first part of the course deals with the economic topics of international trade, and covers issues such as countries trade relations and effects on their economies and questioned the cost benefits of theses trade relations. In this course also theoretical and practical experiences of international trade in the light of protectionism and fair trade aspect introduced. In this course not only real sector but fiscal sector and its effects on international finance systems and macroeconomic impact is questioned. Issues such as markets for currencies, current account and debt problems of countries, balance of payments, adjustment processes and monetary unions are also investigated. |
| Mode of delivery | Face-to-face |
| Prerequisites and co-requisites | - |
| Recommended optional programme components | - |
| Course contents | Chapter 10 Economic Integration: Customs Unions and Free Trade Areas   1. Introduction 2. Trade Creating Customs Union 3. Trade Diverting Customs Union 4. The Theory of Second Best and Other Static Welfare Effects 5. Dynamic Benefits from Customs Union 6. History of Attempts at Economic Integration   Chapter 11 International Trade and Economic Development   * 1. Introduction   2. The Importance of Trade to Development   3. The Terms of Trade and Economic Development   4. Export Instability and Economic Development   5. Import substitution versus Export Orientation   6. Current Problems facing Developing Countries   Chapter 12 International Resource Movements and Multinational Cooperation’s   1. Introduction 2. Some Data on International Capital Flows 3. Motives for International Capital Flows 4. Welfare Effects of International Capital Flows 5. Multinational Corporations 6. Motives for and Welfare Effects of International Labor Migration     Chapter 13 Balance of Payments   1. Introduction 2. Balance of Payments Accounting Principals 3. The International Transactions     Chapter 14 Foreign Exchange Markets and Exchange Rates   1. Introduction 2. Functions of the Foreign Exchange Markets 3. Foreign Exchange Rates 4. Spot and Forward Rates, Currency Swaps Futures and Options 5. Foreign Exchange Risks and Speculations 6. Eurocurrency Markets   Chapter 15 Exchange Rate Determination   1. Introduction 2. Purchasing Power Parity Theory 3. Big Mac Currencies 4. Monetary Approach to the Balance of Payments 5. Exchange Rate Dynamics   Chapter 16 The Price Adjustment Mechanisms with Flexible and Fixed Exchange Rates   1. Introduction 2. Adjustment with Flexible Exchange Rates 3. Effect of Exchange Rate Changes on Domestic Prices 4. Adjustment Under the Gold Standards   Chapter 18 Open Economy Macro Economics: Adjustment Policies   1. Introduction 2. Internal and External Balance with Expenditure Changing Policies 3. Fiscal and Monetary Policies for Internal and External Balance 4. The IS LM BP Model with Flexible Exchange Rates 5. Direct Controls   Chapter 19 Prices and Output in an Open Economy: Aggregate Demand and Aggregate Supply   1. Introduction 2. Aggregate Demand Aggregate Supply and Equilibrium in Closed Economy 3. Aggregate Demand in an Open Economy Under Fixed and Flexible Rates   Chapter 21 The International Monetary Systems, Past, Present, and Future   1. Introduction 2. The Gold Standard and the Interwar Experience 3. The Bretton Woods System 4. Operations and Evolutions of the Bretton Wood System 5. The international Monetary Systems: Present and Future |
| Recommended or required reading | **Text Book**: Salvatore Dominick: International Economics, Prentice Hall International Inc, London, 1998  **Reference Books:**  Baylis John and Steve Smith: The Globalisation of World Politics, Oxford University Press, Oxford, 1999  Gandolfo Giancarlo: International Trade Theory and Policy, Springer, Italy, 1998  Elgar Edward: The Politics and Economics of the EU, Second edition, Edward Elgar publishing, USA, 2001  Gilpin Robert: The Challenge of Global Capitalism, Princeton University press, New Jersey, 2000  George Susan: Twenty Years of Elite Economics and Emerging Opportunities for Structural Change Conference on Economic Sovereignty in a Globalizing World, Bangkok, 24-26 March 1999  Gorden Max: Protection, Growth, and Trade, Basil Blackwell, Oxford, 1985  King Philip: International Economics and International Economic Policy, Irwin McGraw Hill, 2000  Lintner Valerio and Sonia Mazey: The European Community Economic and Political aspects, Mc Graw-Hill Book Company Limited, England, 1991  . |
| Planned learning activities and teaching methods | Lectures, class discussions, reading material from textbook, assignments, presentations and exams. |

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| Language of instruction | English |
| Work placement(s) | - |

ECTS Allocated Based on the Student Workload (Based on 14 teaching weeks)

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| **Activities** | **Number** | **Hours** | **Total Workload Hours** |
| In class | 14 | 4 | 56 |
| Assignments | 6 | 4 | 24 |
| Quizzes- class works | 4 | 1 | 4 |
| Mid-term exam | 1 | 1 | 1 |
| Final exam | 1 | 1.5 | 1.5 |
| Quiz preparation | 4 | 2 | 8 |
| Presentation | 2 | 7 | 14 |
| Mid-term exam preparation | 1 | 12 | 12 |
| Final exam preparation | 1 | 15 | 15 |
| Self-study | 14 | 1 | 14 |
| Total workload |  |  | 147.5 |
| Total workload / 25 hours |  |  | 147.5 / 25 = 5.90 |
| ECTS credits for the course |  |  | 6 |