

IGS8A
ECONOMIC PRINCIPLES & GLOBALIZATION
Spring 2013

Course:

Time: MW 3:30pm–4:50pm
Place: Lown Center for Judaic Studies 201
Recitation Time: M 6:30pm -8:20pm

Lecturer: Huong Vina Nguyen

Office: Ph.D. room - Sachar, IBS
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Office Hours: Wednesday 10am–11am, or by appointment

Teaching Assistant: Andrew Hayes

Office:Library
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Office Hours:Thursday 1-2pm

OVERVIEW

This course introduces some fundamental economic principles in order to better understand the causes and effects of globalization. We begin with by developing the major economic ideas that we will use throughout the course. These include comparative advantage, demand and supply, consumer and producer surplus, and the factors that can cause markets to be less than efficient. (Externalities, public goods)

We then apply these ideas as we examine the economic effects of the four major dimensions of globalization-increasing international flows of goods, people, firms and money.

REQUIREMENTS

Specific readings will be assigned for each class. You are expected to come to class having read the assigned material.

Course requirements include **mandatory attendance at lectures, 3 problem sets, 4 quizzes, 1 midterm, and a final exam. The quizzes, midterms, and final exam are closed-book closed-notes.**

No makeup exams will be offered during the semester unless a student is forced to miss scheduled midterm exams due to **documented** serious illness or bereavement. A student who is unable to

take the final examination for a legitimate reason must obtain advance authorization from the instructor.

The weighting scheme for course requirements is as shown below:

Midterm	20%
Problem Sets	15%
Final Exam	35%
Attendance and Participation	10% (quality and quantity of contributions to class)
Quizzes	20%

Grading: Letter grade will be based on the following scale: A (93 and above); A- (90-92); B+ (87-89); B (83-86); B- (80-82); C+ (77-79); C (73-76); C- (70-72); D (65-69); F (less than 65).

The Excused Absence Policy: If there is an emergency and/or a loss in your family, or if you experience health problems, you will need to **communicate with your class dean** (this means don't e-mail the instructor or the TA), who is going to send me (and all of your other professors) a written letter explaining the circumstances. You will be then excused from the attendance and problem set duties for the time of the emergency. This is a standard university procedure for your convenience. Don't be shy to get in touch with your dean and he/she will take care of the rest for you, so you don't have to worry about school during an emergency.

Any unexcused absence will have a negative impact on your grade in this class.

IMPORTANT DATES

Quizzes: Feb 4, Feb 27, April 3, April 24

Midterm: March 6 during class

Final: Thursday, May 9, 2013 06:00 PM - 09:00 PM

TEXTBOOKS

Required: *Principles of Microeconomics* by N. Gregory Mankiw
An Introduction to International Economics by Kenneth Reinert
Poor Economics by Abhijit V. Banerjee and Esther Duflo

We will use parts of these three books.
Readings from journal articles will be posted on LATTE.

Supplementary: *International Economics* (13th edition) by Thomas A. Pugel
The Elusive Quest for Growth by William Easterly

SPECIAL ACCOMMODATION

If you are a student with a documented disability on record at Brandeis University and wish to

have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

ACADEMIC HONESTY

You are expected to be honest in all of your academic work. The University policy on academic honesty is distributed annually as section 5 of the Rights and Responsibilities handbook. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. If you have any questions about my expectations, please ask.

Academic dishonesty will not be tolerated and will be vigorously prosecuted.

TENTATIVE COURSE OUTLINE

1. Introduction to the Course, Jan 14
2. Basic Economic Principle, Jan 16 - Feb 4 (5 classes) (No class on Monday Jan 21)
 - (a) Opportunity Cost and Comparative Advantage
Mankiw, Chapters 1-3
 - (b) Demand, Supply & Market Equilibrium
Mankiw, Chapter 4
 - (c) Consumer and Producer Surplus
Mankiw, Chapter 7
 - (d) Effects of Taxes
Mankiw, Chapter 6
 - (e) Externalities
Mankiw, Chapter 10
 - (f) Public Goods
Mankiw, Chapter 11
3. International Trade in Goods and Services, Feb 6 - Feb 27 (6 classes) (No class Feb 18-22)
 - (a) Effects of Free Trade
Mankiw, Chapter 9; Reinert Chapter 6
 - (b) Effects of Tariffs
Mankiw, Chapter 9
 - (c) Arguments for Protection
Mankiw, Chapter 9; Pugel Chapter 10
 - (d) The World Trade Organization
Reinert, Chapter 7
4. International Production: Multinational Corporations
 - (a) Feb 27 and March 4th
Why do Firms become Multinationals?
Reinert, Chapter 9; Pugel, Chapter 15
 - (b) March 6th
Mid-term in class

- (c) March 11th
 - Case Competition
 - Effects of Multinational Corporations
 - Reinert, Chapter 10, Chapter 21; Pugel, Chapter 15
- 5. International Finance, March 13 - April 10 (6 classes) (No class Mar 25 - April 2)
 - (a) Foreign Exchange Market; Fixed vs Flexible Exchange Rates
 - Reinert, Chapter 15-16
 - (b) The International Monetary Fund
 - Reinert, Chapter 17
 - (c) International Financial Crises
 - Reinert, Chapter 18; Pugel, Chapter 21
- 6. International Development, April 15 - May 1 (6 classes)
 - (a) Measuring Development - Think Again, Again
 - Reinert, Chapter 20
 - Banerjee and Duflo, Chapter 1
 - (b) Theories of Development - Private Lives
 - Reinert, Chapter 21
 - Banerjee and Duflo, Part I
 - (c) Institutions
 - Reinert, Chapter 22
 - Banerjee and Duflo, Part II
 - (d) The World Bank
 - Reinert, Chapter 23