



UNIVERSITY OF NEW YORK IN TIRANA  
INTERNATIONAL ECONOMICS  
FALL 2007

Lecturer: **Nand Shani**  
Office Hours: **By appointment**  
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**Class Schedule:**                      **Thursdays**                      **15:00-19:00**                      **5/C**

**Required Text:** International Economics, 7-th edition, Krugman and Obstfeld.  
Additional readings might be assigned during class as necessary.

**COURSE OBJECTIVES:**

The purpose of this course is to help students understand the basics of international trade and finance and the effects of various international economic policies on domestic and world welfare. The course will highlight sources of comparative advantage, gains and losses from trade, the impact of trade on economic growth, and effects of trade policy interventions such as tariffs, quotas, voluntary export restraints, and export subsidies. International agreements on regional trade liberalization (such as EU and NAFTA) and on multilateral trade liberalization (e.g., WTO) will be also discussed. Topics on international finance will include balance of payments, determination of foreign exchange rates, and international monetary system.

**COURSE REQUIREMENTS:**

**Participation:** Participation extends beyond mere attendance. Expect your instructor to keep track of how often you contribute to class discussion (as a whole). You may miss up to three classes without penalty - your first two absences count whether you have a good excuse or not. Each absence beyond the first three will cost you points off of your participation grade. The only exceptions to this rule are severe illness (doctor's note required) and UNYT approved trips/activities. Appropriate documentation for absences beyond the first three is necessary the class day directly before or after the one you miss. In general: this class is intensive and interactive. Missing class could seriously affect your grade! Students are reminded not to approach the instructor for copies of the previous week's materials during immediately before, during, or immediately after class. Students are expected to collect materials from their classmates or see the instructor during consultation hours.

**Homeworks:** Homeworks must be your individual work, and copying the answers of another student is definitely cheating. On the other hand, you are encouraged to get together in groups to discuss the course and even how to get started on the homeworks. If you have any questions about what is allowed and what is not, see me.

**Exams:** Two examinations will be taken, one midterm and a final exam covering all course content during the final examination period. Test format may combine a mixture of multiple choice, short answer, true/false, essay questions and exercises covering *all* discussed materials.

**Paper:** A term paper of a minimum of 5 pages has to be submitted before the last week of classes. By the midterm week, every student should have chosen a topic relevant to the subject of the course and agreed with the instructor.

**General Requirements**

Deadlines in the fields of economics are *critical*. Therefore, no late homeworks will be accepted and absence from tests will *not* be tolerated.

*In the event of illness or emergency, contact your instructor IN ADVANCE to determine whether special arrangements are possible. The University's rules on academic dishonesty (e.g. cheating, plagiarism, submitting false information) will be strictly enforced. Please familiarize yourself with the STUDENT HONOUR CODE, or ask your instructor for clarification.*

STUDENTS: If you feel that you have special learning difficulties, please, make an appointment with Ms. Anxhela Gramo. Ms. Gramo is trained to help students with learning difficulties. She shall provide this service to our students, just as it is offered in all American universities.

**EVALUATION:**

<b>Participation</b>	10%
<b>Homework/Assignments</b>	20%
<b>Midterm</b>	25%
<b>Final</b>	30%
<b>Term Paper</b>	15%

Grade	Percentage	Grade	Percentage
A	96-100	C	73-76
A-	90-95	C-	70-72
B+	87-89	D+	67-69
B	83-86	D	63-66
B-	80-82	D-	60-62
C+	77-79	F	0-59

**Tentative Course Outline**

WEEKS	Topics and Chapters
WEEK I	Chapter 1: Introduction Chapter 2: World Trade: An Overview
WEEK II	Chapter 3: Labor Productivity and Comparative Advantage: The Ricardian Model Chapter 4: Resources, Comparative Advantage, and Income Distribution
WEEK III	Chapter 5: The Standard Trade Model
WEEK IV	Chapter 6: Economies of Scale, Imperfect Competition, and International Trade Chapter 7: International Factor Movements
WEEK V	Chapter 8: The Instruments of Trade Policy Chapter 9: The Political Economy of Trade Policy
WEEK VI	Chapter 10: Trade Policy in Developing Countries
WEEK VII <b>EXAM</b>	Chapter 11: Controversies in Trade Policy
WEEK VIII	Chapter 12: National Income Accounting and the Balance of Payments Chapter 13: Exchange Rates and the Foreign Exchange Market: An Asset Approach
WEEK IX	Chapter 14: Money, Interest Rates and Exchange Rates
WEEK X	Chapter 15: Price Levels and the Exchange Rate in the Long Run Chapter 16: Output and the Exchange Rate in the Short Run
WEEK XI	Chapter 17: Fixed Exchange Rates and Foreign Exchange Rates Chapter 18: The International Monetary System, 1870-1973
WEEK XII	Chapter 19: Macroeconomic Policy and Coordination under Floating Exchange Rates
WEEK XIII	Chapter 20: Optimum Currency Areas and the European Experience
WEEK XIV	Chapter 21: The Global Capital Market: Performance and Policy Problems Chapter 22: Developing Countries: Growth, Crisis, and Reform

WEEK XV

Review for **Final Examination**