

# ECONOMICS 30513

## Perspectives in International Economics

Summer 2017

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**PURPOSE:** This class focuses on three schools of thought and their contributions to international economic theory: Neoclassical, Post-Keynesian/Institutionalist, and Marxist. We will begin by first reviewing the foundation of each and then examine the theories themselves and the manner in which they explain real-world events. The topics covered include trade theory, economic development, and exchange rates. General conclusions regarding the rival research programs will be reached at the end of the semester, but the real goal of the course is to arm the student with the ability to evaluate arguments and to find the root of disagreements in economic theory and policy. This course counts as an international economics class in the Econ BA and BS majors and the international economics minor and as an international economics elective in the BA in International Economics.

**PREREQUISITES:** Any three hours of economics (with a C or better).

**FORMAT:** The course will consist primarily of lecture.

**REQUIREMENTS:** Your semester grade will be based on two exams, with the weights assigned as follows:

Exam One	40 points
Exam Two	<u>+60</u> points
	100 points

The final is cumulative (though not over ALL the material we covered on exam one). Grades will be assigned on the following basis (parenthetical references are to the **TCU Undergraduate**

**Studies Bulletin** definition of the performance necessary for the assignment of each grade):

100 to 89.5 points	A (Exceptional)
89.4 to 79.5 points	B (Superior)
79.4 to 69.5 points	C (Satisfactory)
69.4 to 59.5 points	D (Poor)
59.4 or less	F (Failure)

Exams are essay and will test students' knowledge of the material covered in lecture and the reading, require them to construct coherent analyses of events or trends using the appropriate framework, and use evidence appropriately when asked to analyze novel situations. While doing the first thoroughly and completely will be sufficient to earn a B, As are reserved for those who accomplish that goal plus the last two. You do not really understand a model if you cannot tell how it works after varying an assumption.

**REMINDER:** Economics majors must earn a C or better in order to count economics courses toward their economics degree (though as a "D" it can be an elective).

**USE OF ELECTRONIC DEVICES:** Not only should they be stowed during takeoff and landing, they simply aren't needed in this class! You will never need a calculator for my exams, so please do not bring one. Also, students wishing to have a translator available must have only a paper dictionary (please let me check it before the exam). Sorry, I had an incident in the past that has forced me to adopt this policy!

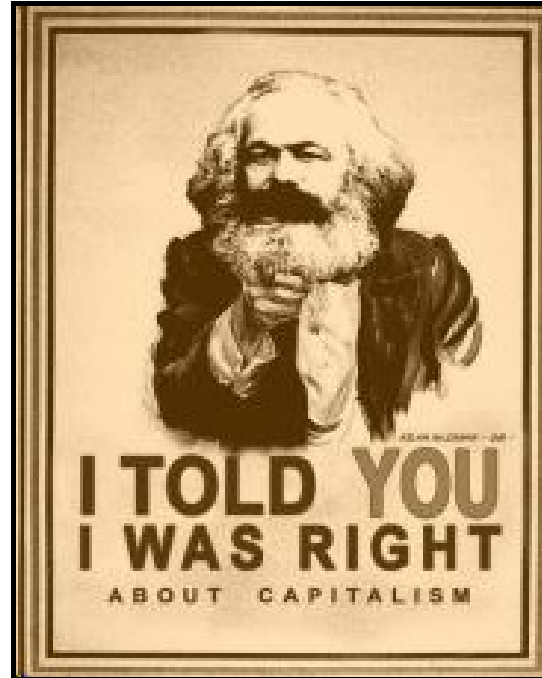
**ASSIGNMENTS:** There is no text for this course. The exams are based on the lectures and outside reading available through the links embedded in the study questions and on the course calendar below.

**ABSENCES, SELF MOTIVATION, AND YOU:**

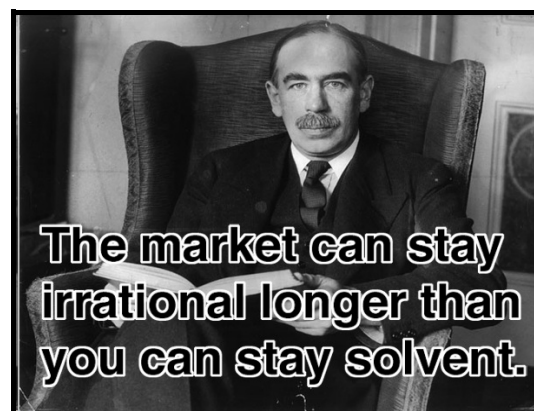
- From the first day of class, students have a list of potential exam questions covering 80% of what I can ask.
- They are free to work out the answers at home and they are encouraged to send these to me so I can check them.
- I will go over and over these with the student until we are sure that their set is absolutely perfect.
- Happily, everyone passes my course!

One of the above statements is false. Sadly, it is the last one! In fact, the average grades in my upper-level courses are often the lowest in the department. The reasons are simple: many students 1) never bother to do the study questions and 2) don't come to class. Do not make these mistakes! Trust me when I say that you will never understand the material properly if you aren't present for the lectures and you can't learn the material without sitting down and doing the hard work of answering the study questions yourself. Getting the answers from someone else is not useless, but it's pretty close. **Believe me when I tell you this because I have seen it over and over and over!** This class is a nightmare for those who have no self discipline. On the other hand, for those who are willing to come to class and work hard, it's difficult not to earn at least a B. Incidentally, among the worst offenders are those repeating the course. I assume they are of the attitude that they don't need to come to class because they've already taken the course once. No, they haven't. Again, please don't make this mistake!

Before I leave this topic, I want to assure the responsible students in class that I do not make any side deals with those who never show up. Irresponsibility does not qualify them for special treatment. Attendance is not "required" in the class, but then neither is passing.



**PICTURE DAY:** By golly gosh, you are paying a lot of money to come to TCU (well, someone is)—you deserve to have your professors know your name! So, on the second or third day of class I'll be taking all your pictures (to which you'll add your names later) so that I can study, study, study. By exam one I should know everyone's name AND which face it goes with!



**ACADEMIC HONESTY:** I do my utmost to see to it that those who are studying hard in my course get full credit for their work and that they are not cheated by classmates. I do this primarily by removing temptation and closely monitoring all exams. However, in the event that my vigilance is not sufficient and a case of academic dishonesty does come to my attention, I give my word to the honest members of the class that the offending party will be penalized as outlined by University policy. Speaking of the latter, here is the official TCU statement:

*Academic Misconduct (Sec. 3.4 from the Student Handbook) – Any act that violates the academic integrity of the institution is considered academic misconduct. The procedures used to resolve suspected acts of academic misconduct are available in the offices of Academic Deans and the Office of Campus Life. Specific examples include, but are not limited to:*

- *Cheating: Copying from another student’s test paper, laboratory report, other report, or computer files and listings; Using, during any academic exercise, material and/or devices not authorized by the person in charge of the test; Collaborating with or seeking aid from another student during a test or laboratory without permission; Knowingly using, buying, selling, stealing, transporting, or soliciting in its entirety or in part, the contents of a test or other assignment unauthorized for release; Substituting for another student or permitting another student to substitute for oneself;*
- *Plagiarism: The appropriation, theft, purchase or obtaining by any means another’s work, and the unacknowledged submission or incorporation of that work as one’s own offered for credit. Appropriation includes the quoting or paraphrasing of another’s work without giving credit therefore.*
- *Collusion: The unauthorized collaboration with another in preparing work offered for credit.*

to a moral standard in the process of determining course grades. It is equally vital to the integrity of the course that the instructor maintain the highest level of honesty. I promise everyone that, first, no student will have a grade changed simply because they made inquiries regarding my evaluation. Nor will someone in our class receive a higher grade on the basis of “need” (to keep a scholarship, to stay in school, to receive Economics credit, to not be killed by parents, etc.). If those are to be criteria for the determination of grades, then they should appear in the syllabus as assignments. Furthermore, the exams will be graded blindly (i.e., no names) and, at the end of the semester, the one and only place I will look to calculate students' grades will be their cumulative performance on the tests. The standard I will apply in determining letter grades absolutely will be the one listed above, and **I promise that it will be the same for everyone.** Finally, I feel very strongly that it is each student's right to understand how their grade was determined, and I am always happy to fully explain any questions you may have.



Students are not the only ones who should be held

**PROCEDURES FOR STUDENTS WITH DISABILITIES:**

Texas Christian University complies with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 regarding students with disabilities. Eligible students seeking accommodations should contact the Coordinator of Student Disabilities Services in the Center for Academic Services located in Sadler Hall, 1010. Accommodations are not retroactive, therefore, students should contact the Coordinator as soon as possible in the term for which they are seeking accommodations. Further information can be obtained from the Center for Academic Services, TCU Box 297710, Fort Worth, TX 76129, or at (817) 257-6567.

Adequate time must be allowed to arrange accommodations and accommodations are not retroactive; therefore, students should contact the Coordinator as soon as possible in the academic term for which they are seeking accommodations. Each eligible student is responsible for presenting relevant, verifiable, professional documentation and/or assessment reports to the Coordinator. Guidelines for documentation may be found at

[http://www.acs.tcu.edu/disability\\_documentation.asp](http://www.acs.tcu.edu/disability_documentation.asp).

Students with emergency medical information or needing special arrangements in case a building must be evacuated should discuss this information with their instructor/professor as soon as possible.

**CLASSROOM ETIQUETTE:** In my experience, most students already know exactly how to conduct themselves in a college classroom. Unfortunately, however, a steady deterioration in the level of civility and manners is a trend at universities across the nation (including here at TCU). For that reason, I have taken the reluctant step of requiring all students to sign an agreement regarding appropriate classroom behavior. Please read it carefully as I will be taking it very seriously. Despite mentioning this every semester, I'm afraid that there are still people who don't understand how terribly distracting their conversations are to the rest of us. PLEASE don't create an incident. Instructors are, by the way, empowered to have disruptive students dropped from the class. I will also be signing one for you, of which you will receive a copy. Remember—everyone pays the same tuition and has the right to be able to concentrate on the lecture. Please let me know if anyone is distracting you.



### INSTRUCTOR QUALIFICATIONS:

- B.A. Economics and Political Science, U. of Tennessee 1983.
- M.A. Economics, U. of Tennessee 1986.
- Ph.D. Economics (international, macroeconomics, history of economics), U. of Tennessee 1987.

Why the heck do they let me teach this class? Good question. The course is about international economics and different schools of thought therein. I have PhD fields in those areas, plus I served as the director of the *International Confederation of Associations for Pluralism in Economics* for six years. In addition, here is a selected list of publications related to the subject matter of this course:

- “Exchange Rate Behavior during the Great Recession,” **Journal of Economic Issues**, vol.46, no.2, June 2012.
- “Modeling Financial Crises: A Schematic Approach,” **Journal of Post Keynesian Economics**, vol.33, no.1, Fall 2010.
- “Neoliberalism, Neoclassicism and Economic Welfare,” **Journal of Economic Issues**, vol.44, no.2, June 2010.
- “Currency Market Participants' Mental Model and the Collapse of the Dollar: 2001-2008,” **Journal of Economic Issues**, vol.43, no. 4, December 2009.
- **Currencies, Capital Flows, and Crises: A Post Keynesian Analysis of Exchange Rate Determination**, Routledge (2009).
- **Future Directions for Heterodox Economics**, University of Michigan Press, 2008 (co-edited with Robert F. Garnett).
- “Teaching Post Keynesian Exchange Rate Theory,” **Journal of Post Keynesian Economics**, vol.30, no.2, Winter 2007-8.
- “Modeling Interest Rate Parity: A System Dynamics Approach,” **Journal of Economic Issues**, vol.40, no.2, June 2006.
- “Psychological and Institutional Forces and the Determination of Exchange Rates,” **Journal of Economic Issues**, vol.40, no.1, March 2006.

- “Capital Flows and Trade in Mexico: A Model of Institutional Dynamics.” **International Journal of Development Issues**, vol.3, no.1, June 2004. Lead article.
- “Deviations from Uncovered Interest Rate Parity: A Post Keynesian Explanation.” **Journal of Post Keynesian Economics**, vol.27, no.1, Fall 2004.
- “The Determinants of Currency Market Forecasts: An Empirical Study.” **Journal of Post Keynesian Economics**. (Fall 2002).



**COMING TO EXAMS LATE:** Something that has just started happening recently is people coming to exams late so they can have more time. That is your choice, but bear in mind: 1) if someone has already finished the test and left, you will not be able to take the test; 2) I will not be able to review anything I have already shared with the class up to that point; and 3) your exam still ends at the same time.

<b>Week</b>	<b>topic</b>
May 15 M	<b>Introduction to course</b> (grading, assignments, philosophy, etc.)
	<b>Foundations</b>
May 16 T	Neoclassical
May 17 W	Marxist
May 18 R	Post Keynesian/Institutionalist
	<b>Trade Theory</b>
May 19 F	Neoclassical
May 22 M	Marxist
May 23 T	Post Keynesian/Institutionalist
May 24 W	<b>*****EXAM ONE (May 24)*****</b>
	<b>Economic Development</b>
May 25 R	Neoclassical
May 26 F	Marxist
May 29 M	MEMORIAL DAY HOLIDAY
May 30 T	Post Keynesian/Institutionalist
	<b>Exchange Rate Theory</b>
May 31 W	Neoclassical, Marxist
June 1 R	Post Keynesian/Institutionalist
June 2 F	<b>*****FINAL EXAM (June 2)*****</b>

