Instructor: Dr. Bedassa Tadesse; Email: btadesse@d.umn.edu
Office: SBE 172; Phone: 218-726-8365; Fax: 218-726-6509
Course Website: http://www.d.umn.edu/~btadesse/maysummer/index.htm

Class Meets Biweekly (Friday (3:00-9:00PM) and Saturday(8:00am-12:30PM)) at Rochester Campus (U.C.R.)


Course Objectives: The educational objective of this course is to provide students with a general overview of key economic issues in international trade and finance.

Course Policy

1. Attendance and Participation: Regular class attendance and active participation is expected from every student. Extra credit points will be given for students that participate actively in class discussions.

2. Make-ups: It is imperative that you take all exams and submit your assignments and project papers on their due dates. There will be neither make-ups nor substitutions for assignments (project papers) not turned in on their due dates.

3. Additional Course Materials: In addition to the text book materials, supplementary reading materials, particularly published research papers, will be posted on the course website. It is the responsibility of each student to read these papers, relate the topic with the issue being covered, and prepare for class discussion and presentation.

4. Special Need: If you are a student with a special need (e.g., students with disabilities) in the administration of exams, project presentation or class discussions, you should notify me during the first week of the class.

5. Grading Policy: Including the final exam there are three separate tests. With the exception of the first week, one test will be given each week. With the exception of the first week, each week we will begin the class with tests on issues covered in the previous week(s). Each test accounts for 25% of your final course grade. Each week will end with a discussion of published research article(s). Presentation and discussion of articles could be done in group or on individual basis. Your group/individual presentation will account for 20% of the final course grade. The remaining 5% of the course grade comes from your participation in class discussion.

6. Tentative Grading Scale (in %): 94-100 (A), 90-93(A-); 87-89(B+), 83-86 (B), 80-82(B-); 76-79(C+), 73-75(C); 70-72(C-); 68-69(D+), 65-67(D); <65(F)
# Course Outline

<table>
<thead>
<tr>
<th>Dates by Weeks</th>
<th>Issues to be covered</th>
<th>Readings/Assignments</th>
</tr>
</thead>
</table>
| **I-Issues In International Trade** | • Globalization/ International Interdependence: Facts  
  ▪ Issues in International trade  
  ▪ History, Assumptions, Concepts, and Fallacies in International trade  
  ▪ Sources of Comparative Advantage, and Controversies in international trade | Chapter-01  
  Chapter-02  
  Chapter-03  
  Chapter-04 |
| Week -01 (Days 1 and 2) |                                                                                      |                      |
| **II-Issues In International Trade-Continued** | • Are the Theories Correct?  
  ▪ Intra-Industry trade; and Transport Cost a Determinant of the Volume of Trade Flow  
  ▪ Interventions in the free Flow of Trade  
  ▪ Why tariff?  
  ▪ Measuring the Welfare Effects of Interventions  
  ▪ Nontariff Barriers to Trade  
  ▪ Arguments for and against Free Trade | Chapter-05  
  Chapter-06  
  Chapter-07  
  Chapter-08 |
| Week-02(Days 1 and 2) |                                                                                      |                      |
| **III-Regional trade agreements and Issues In International Finance** | • Issues in Regional Trade Agreement  
  • Factors Movements across National Boundaries  
  ▪ Labor and Capital mobility  
  ▪ Does Capital Mobility Substitute or Complement Trade?  
  • The Balance of Payments and the Foreign Exchange Market | Chapter-09  
  Chapter-10  
  Chapter-13  
  Chapter-12 |
| Week-03(Days 1 and 2) |                                                                                      |                      |
| **IV- Issues In International Finance and Trade: Prices, Interest Rates, and Exchange Rates** | • Currency overvaluation/undervaluation  
  ▪ Parity in Prices and the Markets for Goods and Services  
  ▪ Parity in Interest Rates, and Economic Integration of countries  
  ▪ Exchange Rates in the Long Run | Chapter-12  
  Chapter-14  
  Chapter-18 |