# International Economics

## Prof. Paola Rossi

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The aim of the course is to introduce the main topics of international economics. Firstly, macroeconomic issues in an open economy will be analyzed in order to understand the balance of payments, the exchange and interest rates determinants at international level, the impact of different exchange rates regimes on monetary policy. The basics of the theory of international trade will be provided. Theoretical models will explained alongside empirical evidence. At the end of the course, students will be familiar with the determinants of international trade and capital flows.

***COURSE CONTENT***

The course will be based on the book *Economia Internazionale*, 11th edition, Krugman, Obstfeld, Melitz. The following topics will be analysed:

Part 1 – *Macroeconomics in an open economy* (Volume 2)

* National accounts and the balance of payments (Chapters 1 and 2)
* Interest rates and exchange rates (Chapters 3 and 4)
* Short-term Long-term dynamics (Chapters 5 and 6)
* Fixed exchange rates and monetary policy (Chapter 7)

Part 2 – *International trade* (Volume 1)

* Introduction (Chapters 1 and 2)
* The principle of comparative advantage (Chapter 3)
* Heckscher-Ohlin and specific-factors models (Chapters 5 e 4)
* Scale economies and international trade (Chapter 7)
* Outsourcing, multinationals, and global value chains (Chapter 8)

***READING LIST***

Krugman-Obstfeld-Melitz , *Economia Internazionale,* 11th edition, Pearson

***TEACHING METHOD***

Frontal lectures, using slides and the blackboard.

***ASSESSMENT METHOD AND CRITERIA***

Written assessment composed of closed questions, true/false, open-ended questions and exercises. The final mark is expressed in thirtieths. Students attending classes will have the possibility to split the final assessment into two parts. The first one will take place at the end of the course and will cover the topics explained during the first part of the course. The second one will focus on the topics presented in the second part of the course and will take place before the summer break. By registering for the general assessment, students will automatically refuse the mark obtained during the first part of the examination.

***NOTES AND PREREQUISITES***

In order to understand the topics explained during the couse, students should have a background in microeconomics and macroeconomics.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.