

UNITED STATES NAVAL ACADEMY
Economics Department

FE314 — 4001
International Trade Policy

Prof. J. E. Fredland
Spring 2001

1. Overview

FE314 is concerned with international trade and international finance, and with the institutions that shape trade and finance policy. These topics are constantly in the news — the WTO and the “globalization” protests, the trade deficit, the Asian financial crisis, the impact of NAFTA, and the introduction of the common European currency known as the Euro — are examples. Any well informed student of Economics should know and understand the issues. The course has both a microeconomic component (international trade), concerned with the behavior of individual economic actors, and a macroeconomic component (international finance), concerned with the behavior of economic aggregates, but no prior knowledge of theory is assumed. Elementary economic theory will be introduced as necessary throughout the course. The course is a complement to FE412 International Trade and Finance, which has an intermediate theory pre-requisite and a much heavier theoretical content.

2. Readings

Mordechai E. Kreinin, *International Economics: a Policy Approach*, (Fort Worth: The Dryden Press), 1998-Euro Update edition.
Other readings TBA

3. Grading

Your final grade will be determined by the following evaluations:

Final Exam	30%
Midterm #1	10%
Midterm #2	15%
Paper	20%
Case Studies, Projects, etc	20%
Instructor Evaluation	<u>5%</u>
	100%

The midterm tests will be given February 23 and April 6, regardless of whether we have covered the planned amount of material at those points in the course.

6. Paper

You will write a paper on a trade or finance policy issue. I will distribute a list of topics and paper guidelines in late February. The paper will be due by 2400 on the last day of class (April 27). Complaints of insufficient notice will be hard to entertain.

7. Office Hours

My office is Nimitz 69. My regular hours are MWF6. I will normally be on campus from about 0800 to about 1700 Monday through Friday. I am happy to see you at any time during that period, but lots of people want a piece of my time. So, it is best to make an appointment to conserve use of a scarce resource -- your time. Phone extension is 36897. Better yet, use e-mail.

8. Assignments

Please read assigned chapters before the date listed. You are responsible for ALL the regular text material in the chapters assigned (whether discussed in class or not) unless I tell you otherwise. You are not responsible for the Additional Insight boxes or for the (many) Appendixes unless I specifically assign them.

FE314 COURSE OUTLINE

Week 1 -- Jan 8	INTRODUCTION Ch 1,17
	INTERNATIONAL TRADE
Theory Week 1 -- Jan 10-12	Ch 2,3
Week 2 -- Jan 15 Jan 17-19	KING HOLIDAY
Week 3 -- Jan 22	
Trade Policy Week 3 -- Jan 24-26	Ch 4,5,6
Week 4 -- Jan 29-Feb 2	
Week 5 -- Feb 5-9	
International Trade Organizations Week 6 -- Feb 12-16	Ch 7
Week 7 -- Feb 19 Feb 21 Feb 23	PRESIDENT'S DAY HOLIDAY EXAM #1
Trade and LDC's Week 8-- Feb 26-Mar 2	Ch 8
Labor (and Capital) Migration Week 9 -- Mar 5-9	Ch 9
Mar 12-16	GIMMIE A BREAK
	INTERNATIONAL FINANCE
Statistics of International Transactions Week 10 -- Mar 19-23	Ch 10
Theory Week 11 -- Mar 26-30	Ch 11
International Currency System Week 12 -- Apr 2-4 Apr 6	Ch 12 EXAM #2
International Finance Policy Week 13 -- Apr 9-13	Ch 13, 14, 16
Week 14 -- Apr 16-20	
Week 15 -- Apr 23-27	