Office: 205B Stevens Hall
Office Hours: 10:30 –12:00 T&Th; and by appointment
Phone: 581-1862
Email: Breece@maine.edu
FirstClass: James Breece


FirstClass: a course conference has been automatically added to your desktop. Announcements and course materials will be posted in the course conference throughout the semester.

UMaine School of Economics - Econ Lab: M-Th 10:00 to 4:00; room 305 Stevens Hall.

Course Requirements: Students must take both exams and complete the writing assignment (TBA). Each exam and the writing assignment each have equal weight in determining the course grade. There will be plus-minus grading.

Exam 1 ............................................................. February 27
Final Exam ..................................................... Finals week

Any missed exams are counted as zero. Students wishing to have the privilege of taking a make-up exam must notify me prior to the scheduled exam date.

Attendance of the classes is the student’s responsibility and any cheating during the exams will result in automatic failure of the assignment. Students requesting special accommodations must contact me and the office of Disability Support Services (581-2319; TTY 581-2325) at the beginning of the semester.

Course Description: Analysis of the fundamental characteristics of an open macroeconomy including exchange rate determination, balance of payments adjustment, income determination, financial flows, effect of monetary and fiscal policies on exchange rates, economic integration and global monetary issues.
Objectives and Learning Outcomes: Upon completion of this course, students will have an understanding of: the technical terms used by international economists; the microeconomic underpinnings of the benefits from international trade; the operation of the exchange rate market; and the interaction of goods markets, financial markets, and labor markets in determining national income, prices, and employment in an international setting. Students’ understanding of these concepts and issues will have been displayed through their learned analytical skills (modeling and graphics); narrative explanations; and insight into a foreign country as demonstrated by the course requirements.

Course Outline and Reading List

PART I: THE THEORY OF INTERNATIONAL TRADE
- Chapter 1: International Economics Is Different
- Chapter 2: The Basic Theory Using Demand and Supply
- Chapter 3: Why Everybody Trades: Comparative Advantage
- Chapter 4: Trade: Factor Availability and Factor Proportions Are Key
- Chapter 5: Who Gains and Who Loses from Trade?
- Chapter 8: Analysis of a Tariff -- selected parts
- Chapter 9: Nontariff Barriers to Imports – selected parts

PART II: UNDERSTANDING FOREIGN EXCHANGE
- Chapter 16: Payments among Nations
- Chapter 17: The Foreign Exchange Market
- Chapter 18: Forward Exchange and International Financial Investment
- Chapter 19: What Determines Exchange Rates?
- Chapter 20: Government Policies toward the Foreign Exchange Market
- Chapter 21: International Lending and Financial Crises

PART III: MACRO POLICIES FOR OPEN ECONOMIES
- Chapter 22: How Does the Open Macroeconomy Work?
- Chapter 23: Internal and External Balance with Fixed Exchange Rates
- Chapter 24: Floating Exchange Rates and Internal Balance
- Chapter 25: National and Global Choices: Floating Rates and the Alternatives