

International Economics

University of Mannheim

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Textbooks:

Appleyard, Field, and Cobb (2007): *International Economics*, 6th Edition, McGraw-Hill. (AF)

R. Feenstra and A. Taylor, *International Economics*, First Edition, Worth Publishers (F&T).

S. Schmitt-Grohe and M. Uribe: *International Macroeconomics*, Lecture Notes, Duke University (S&U).

Krugman, Obstfeld und Melitz (2014): *International Economics*, 10th Edition, Pearson. (KO)

(With a few exceptions, most topics are covered in all editions of these books in almost identical ways, but the numbering of chapters may differ between editions. Previous editions of AF are authored by Appleyard and Field only. Previous editions of KM are authored by Krugman and Obstfeld only.)

Evaluation: homeworks (20%), final exam (80%).

Readings:

(*) indicates reference closest to lecture notes.

PART 1: International Trade

I. Introduction

- F(*): Chapter 1, AF: Chapter 1, KO: Chapters 1,2.

II. The Ricardian Model

- AF: Chapters 2-4, KO(*): Chapter 3, FT: Chapter 2.

III. The Heckscher-Ohlin Model

- AF: Chapters 8,9, KO(*): Chapter 5 (and Appendix), FT: Chapter 4.

IV. Increasing Returns to Scale and Imperfect Competition

- AF: Chapter 10, KO: Chapter 8, FT: Chapter 6.

V. Trade Policy

- AF(*): Chapters 13,14, KO: Chapter 9 (and Appendix), FT: Chapter 8.

VI. Foreign Direct Investment and Offshoring

- KO: Chapter 8, F&T: Chapter 7.

PART 2: International Macroeconomics

VII. National Income Accounts and the Balance of Payments Accounts

- KO: Chapter 13, FT (*): Chapter 16.

VIII. International Financial Flows

- KO: Chapters 6, 21, FT: Chapter 17(*), SU(*), Chapters 2, 3

IX. Exchange Rates Part 1

-KO(*): Chapters 14,15., FT: Chapters 13, 15

X. Exchange Rates Part 2

-KO(*): Chapter 16, FT: Chapter 14

XI. Fiscal and Monetary Policy in Open Economies

-KO(*): Chapter 17, FT: Chapter 17

XII. Currency Crises and Speculative Attacks or Sovereign Debt Crises

-KO: Chapter 18 (including appendix), FT: Chapter 20, or FT: Chapter 22.