

Course Outline

Course number	RBB136				
Course title	International Economics				
Tota hours	80				
Lecture hours	26				
Seminar and other hours	6				
Course level	Bachelor				
Prerequisites	None				
Category	Mandatory	X	Restricted elective		Free elective

COURSE RESPONSIBLE

<i>Name</i>	<i>Academic degree</i>	<i>Academic position</i>
Paolo Paesani	PhD	Professor

COURSE TEACHERS

<i>Name</i>	<i>Academic degree</i>	<i>Academic position</i>
Paolo Paesani	PhD	Professor

COURSE ABSTRACT

International Economics explains what motivates international trade and flows of money across borders and how this affects exchange rates, interest rates and economic activity. The course covers the following topics: 1) Global interdependence and global production, 2) International trade, absolute and comparative advantage, intra-industry trade, 3) Trade policy, 4) Balance of payments, 5) Foreign exchange market and exchange rates, 6) Capital movements, speculation and international currency crisis, 7) International economic and monetary integration and the European Monetary Union.

LEARNING OUTCOMES

- **Knowledge**
- Understand the basic principles of international trade and international monetary economics.
- Understand the notion of balance of payments, international investment position, foreign exchange market, international production, international economic institutions.
- **Competencies**
- Apply notions in the areas of intrnational economics to real-world situations with a specific focus on Latvia and the EU.
- Outline and give a detailed explanation of the main drivers of international trade and international capital flows.
- Assess the impact of macroeconomic shocks and monetary policy on the foreign exchange market.

- **Skills**
- Critically discuss and debate a range of current issues in the field of international trade and international finance.
- Express articulated views about current issues in the field of international trade and international finance.
- Evaluate the effectiveness of policies to regulate international trade and international capital flows.
- Present methodically and clearly in their own words, views about issues in the field of international trade and international finance.

GRADING CRITERIA

Criteria	Weighting
Class Presentations	20 %
Mid Term Exam (multiple choice)	30 %
Final Exam (open questions)	50 %

COURSE PLAN – MAIN SUBJECTS

No.	Subject	Planned hours
1	Global interdependence	2
2	Global production and global value chains	2
3	Advantages of international trade	4
4	Arguments for restricting international trade	2
5	The world trading system, trading blocs, European Union	2
6	Balance of Payments	4
7	Exchange rates	4
8	Exchange rates and the balance of payments	2
9	Fixed versus floating exchange rates	2
10	European monetary Union	2