COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
International economics	SPK approved 2024-06-26

Lecturer(s)	Department(s) where the course unit (module) is delivered
Coordinator: Assoc. prof. Viktorija Cohen **Other(s):**	Faculty of Economics and Business Administration, Department of Economic Policy

Study cycle	Type of the course unit (module)
First cycle	Individual studies

Mode of delivery	Period when the course unit (module) is delivered	Language(s) of instruction
Face-to-face	Spring semester	English

Requirements for students	
Prerequisites: Macroeconomics	**Additional requirements (if any):** none

Number of ECTS credits allocated	Student's workload	Contact hours	Individual work
5	130	48	82

Purpose of the course unit (module): programme competences to be developed

The aim of this course is to provide students with an understanding of the key issues in international economics, the theoretical foundations of international economic relations and contemporary issues in foreign trade and international finance. It aims to develop: an understanding of the fundamentals of international economics, the application of fundamental theories and the ability to assess phenomena in the global economy in their professional life, analytical and critical thinking, communication, teamwork, reasoning, conclusions, and proposals.

Learning outcomes of the course unit (module)	Teaching and learning methods	Assessment methods
1. They will be able to understand global economic phenomena, their patterns, interrelationships and causes on the basis of a fundamental knowledge of international economic science, in particular: - interpret the fundamental principles of international economic science and explain the importance of international economic relations; - understand the various phenomena and trade issues in international economics and the reasons why they arise;	Traditional and/or interactive lecture, literature analysis, discussion, problem-based learning, teamwork, and discussion of results.	Test (open and closed questions); problem-solving exercise.

- understand contemporary trends in international economics.		
2. Be able to assess and forecast the impact of developments in the global economy on individual economies and be able to: - critically analyse ongoing international economic policy processes and disputes, and to discern and comprehensively assess their short- and long-term impact on individual economies, their businesses and consumers; - explain the impact of labour and foreign direct investment flows on economic growth;	Preparation and presentation of essays, reflection on colleagues' written work.	Delivery of an essay and peer-review
3. Gain knowledge of economic policy tools and the ability to make sound arguments and propose informed solutions: - Analyse and synthesise trends in monetary economics, exchange rates and their impact on economic development.	Active participation in workshops, case studies, problem-based learning, teamwork.	Active participation in seminars, teamwork.
4. Be able to present the results of their work orally and in writing: - communicate and express opinions, draw conclusions and make proposals; - know the principles of teamwork and be able to work effectively in planning and organizing their own learning process; - take responsibility for continuously expanding knowledge and development; - Be able to evaluate their own and their colleagues' skills.		

Content: breakdown of the topics	Contact hours							Self-study work: time and assignments
	Lectures	Tutorials	Seminars	Exercises	E-learning	**Contact hours**	**Self-study hours**	**Assignments**
1. Introductory lecture. Introduction to the course, discussion of International Economics contemporary trends and International Economic developments.	2					**2**	**2**	Sawyer Ch., Sprinkle R. (2015) Ch. 1.
2. Theoretical background of international trade. Why do countries trade? International trade versus interregional trade. Trade based on absolute advantage. Trade based on comparative advantage. Trade based on opportunity costs. Comparative advantage and the production possibilities frontier	4		2			**6**	**8**	Sawyer Ch., Sprinkle R. (2015) Ch. 2, 3. Analyze the theory of comparative advantage and its contemporary specificities. Introduction to the teamwork and requirements of the seminars. Essay requirements presentation and discussion.
3. Factor endowments and the commodity composition of trade. Contemporary theories of international trade: the factor-proportions theory; the specific-factors model; the Leontief paradox. Intra-industry trade	4		2			**6**	**8**	Sawyer Ch., Sprinkle R. (2015) Ch. 4, 5. Explore the main contemporary theories of trade based on the literature and the cases provided by the teaching professor. Essay preparation. Analysis of cases in teams during the seminar.
4. Customs tariffs and non-tariff barriers. Economic effect of tariffs, arguments for tariffs. Non-tariff barriers to trade.	2		2			**6**	**10**	Sawyer Ch., Sprinkle R. (2015) Ch. 8, 9. Understand how the tariff system works, its implications and application. Essay preparation. Analysis of cases in teams during the seminar. Preparation for the Test I.
5. International trade policy and its main principals. International trade agreements. How has the liberalisation of international trade progressed? The benefits of free trade.	2		2			**4**	**6**	Sawyer Ch., Sprinkle R. (2015) Ch 10. Familiarise with the main treaties governing international trade policy. Essay preparation. Analysis of cases in teams during the seminar. Test I
6. Regional economic integration. Trading blocks and the reasons for their emergence. Degrees of economic integration. Negative consequences of regional agreements. Examples.	2					**2**	**6**	Sawyer Ch., Sprinkle R. (2015) Ch. 11. Explore the stages and benefits of economic integration, the specifics of a customs union or other regional trading bloc. To learn about the characteristics of EU integration.
7. The firm in the world economy. MNCs. Reasons for MNCs existence. OLI approach. Global value chains.	2		2			**4**	**6**	Sawyer Ch., Sprinkle R. (2015) Ch. 6. The importance of multinational companies in international trade, the characteristics of multinational companies, and the activities of global

								value chains. Essay preparation. Analysis of cases in teams during the seminar.
8. International factor movements (capital and labor): reasons and welfare effects.	2					**2**	**6**	Sawyer Ch., Sprinkle R. (2015) Ch. 7. Understand how commodity exports in the modern context are affected by the movement of the factors of production – labor and capital – and how this affects countries. Delivery of essays, peer-review.
9. International trade and economic growth. Preconditions for growth and basic growth theory. Vapital flows, technology transfers and economic growth. Economic development vs. economic growth.	2		2			**6**	**10**	Sawyer Ch., Sprinkle R. (2015) Ch. 12,13 Understand how foreign trade affects national and global economic growth; assessment of country's economic growth. Delivery of essays, peer-review. Analysis of cases in teams during the seminar.
10. National income accounting and the balance of payments. How is balance of payments balanced? The importance of exchange rates in international trade. The impact of exchange rate changes on trade, demand for and supply of currencies.	6		2			**6**	**8**	Sawyer Ch., Sprinkle R. (2015) Ch. 13,14. To understand how the country's balance of payments is balanced and why it is important if international economics? Discover how the exchange rate system works, what factors influence exchange rates and how they affect international trade. Discussion of peer-reviewed essays.
11. Finalization of the course and closing remarks.	2		2			**4**	**12**	Consultation. Discussion of peer-reviewed essays. Preparation for the Test II.
Total	**32**		**16**			**48**	**82**	

Assessment strategy	**Weight, %**	**Deadline**	**Assessment criteria**
Test I	30	In the middle of the semester	Open and closed question tests, each consists of 30 questions. The tests assess the student's ability to systematise and analyse the material presented

Test II	30	At the end of the semester	in lectures and seminars. The questions are worth between 0,5 and 5 points. The test is conducted in Moodle in a computer lab. Students' knowledge is assessed as follows: - 10 (ten) points for a score of 95% and above (excellent knowledge and skills); - 9 (nine) points for a score of 85-94 % and above (very good knowledge and skills, minor discrepancies); - 8 (eight) points for a score of 75-84 % and above (good knowledge and ability, several errors); - 7 (seven) points for a score of 65-74 % and above (average knowledge and ability, some errors); - 6 (six) points for a score of 55-64 % and above (below average knowledge and skills); - 5 (five) points for a score of 45-54 % and above (knowledge and skills still meet the minimum requirements); Below 45%, the test is failed (does not meet the minimum requirements). In this case, the test must be retaken during the retake period.
Essay and a peer-review	20	In the second part of the semester	Students write an independent written assignment (essay). The essay must be peer-reviewed by randomly assigned student. Both the essay and the peer-review are a compulsory part of the course. The essay is peer-reviewed based on the following criteria: - Clear statement and presentation of the main problem - Coherence - Logical presentation of ideas - Critical thinking (presentation of arguments, solutions, discussion, justification) - Logical reasoning of conclusions - Writing style - Plagiarism - Presentation of the work Each criteria assessed through 0-10 individually and the scores are aggregated. Additionally, peers shall deliver feedback on the essay (in accordance with the requirements set out in the essay outline that shall be discussed in the first lecture). A student receives the final grade for the essay only after submitting the peer-review. Late submission of both the essay and the peer-review will result in grade reduction (1day=1 point).
Active participation and problem-solving during seminars	20	Throughout the semester	During the seminars, students are actively involved in case study analysis, workshops, discussions and short presentations. Active participation is measured by the number of times the student has engaged in the team workshop: 6 seminars – 10 points (20%); 5 seminars– 8 points (17%); 4 seminars – 6 points (13%) 3 seminars – 5 points 8%); 2 seminars – 3 points (4%); 1 seminar – 1 point (2 %). No attended seminars – 0 points (0 %) Only active participation is valued as an attendance!
The final grade is calculated by combining the results of both tests, the seminar activities and the essay with peer review. To pass the test students must get 45% or more. For a course passing grade, a minimum score of 45% of all the course components must be reached. Important: failure to deliver the essay will result in a failing the course as the student will not be allowed to take the final test). Only the final (aggregated) grade for the course is rounded.			
The assessment strategy for an	**Weight, %**	**Deadline**	**Assessment criteria**

external exam			
Essay	30%	Before the exam	The student is required to carry out a case study analysis in accordance with the plan and requirements set in advance with the teaching instructor. The case study is to be carried out individually and submitted in writing. The case study is to be based solely on the literature sources of the subject, providing personal insights. Length: approx. 10 pages (Font size: Times New Roman 12 pt; Paragraph format: double-spaced, 1,5 pt line spacing; Paragraph spacing: 6 pt above and 6 pt below). Assessment criteria: clear relevance to the plan, clear statement and presentation of the main problem, coherence of the information presented, logical presentation of ideas, justification of arguments, methods of presenting a solution, clarification of opinion, analysis of phenomena; argumentation of conclusions, logical reasoning, style of writing and general presentation of paper. Completion and submission to the instructor: 3 days before the examination. The paper is assessed by the examining instructor.
Test	70%	During the exam period	A test of 60 open and closed questions. Each question is worth between 0.5 and 5 points. The student's knowledge is assessed according to the test assessment methodology set out above.

Author	Year of publication	Title	Issue of a periodical or volume of a publication	Publishing place and house or web link
Compulsory reading				
Saywer W.C., Sprinkle R.L.	2015	**Applied International Economics**	4th Edition	Routledge, ISBN: 1317753798
Case studies provided by the teaching professor.				
Optional reading				
Trebilcock M., Howse R.	2012	The Regulation of International Trade	4th Edition	London and New York: Routledge
Krugman P., Obstfeld M.	2012	International Economics. Theory and Policy	9th edition	Addison–Wesley (knyga yra VU bibliotekoje)