
International Economics

Professor: Clàudia Canals

E-mail: claudia.canals@esci.bsm.upf.edu

Office hours: by appointment

Course Description

Despite the anti-globalization movement that has come to the fore in recent years, markets are still largely global. Countries in the 21st century are more closely connected than ever before. Thus, it is important to understand the forces and implications of this globalized scenario.

In order to do so, we will cover the main theories that seek to explain the observed trade patterns. Concepts like comparative advantage; the relative abundance of factors, or gravity aspects will be developed.

Second, we will talk about the benefits of trade but also about the costs. Trade can alter the distribution of income inside a nation and thus generate winners and losers. Understanding this effect is an important element when studying International Economics, especially so since protectionism is on the rise.

Finally, we will examine the Balance of Payments of a country and some international financial topics like the exchange rate systems and its implications in policy.

Objectives

The objective of this course is to provide the students with concepts and analytical tools that will allow them to understand the forces behind globalization and its economic consequences.

Methodology

Lectures will combine theoretical models with real examples of trade of goods and services and flows of money. Some recent events like the 2008 financial crisis, the Trump administration and the COVID-19 pandemic have had and will have a major impact on those flows, and thus, we will pay some attention to those through the different classes.

Participation in class is highly encouraged.

There is a list of mandatory readings. They include book chapters as well as other reading materials that will closely follow the different topics for each class.

The competences, the learning outcomes, the assessment elements and the quality of the learning process included in this Teaching Plan will not be affected if during the academic trimester the teaching model has to switch either to an hybrid model (combination of face-to-face and on-line sessions) or to a complete on-line model.

Evaluation criteria

The final grade will be the weighted average of these 4 elements.

Assessment element	Weight
Individual participation	10
Midterm Exam	20
Group Assignment and presentation	20
Final Exam	50

Students need to obtain a **minimum of 4 in the final exam** to pass the course. This condition applies to both the regular exam and the retake exam. The final course grade of students that do not obtain a minimum of 4 in the exam will be the minimum between 4 and the final grade computed from the different evaluation elements (with the weights set above).

Students that fail the evaluation of the course will have a retake exam opportunity that will be programmed in accordance with the academic calendar. If a student has to retake the exam, his **maximal grade for the course will be a 5**.

MSc in International Business

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program

Students who fail the course during the regular evaluation are allowed ONE re-take of the evaluation, in the conditions specified above. If the course is again failed after the retake, the student will have to register again for the course the following year.

In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

Calendar and Contents

Week	Topic	Additional Information
1	Course presentation and overview Introduction to Intl. Econ. Globalization trends	
2	Gravity Model	
3	Ricardian Model	
4	Resources and Trade	
5	Economies of Scale and Multinational firms I	Midterm Exam (1h 30')
6	Economies of Scale and Multinational firms II/Benefits and Costs of Globalization I	Group Presentation (1h 30')
7	Benefits and Costs of Globalization II	Group Presentation (1h 30')
8	Balance of Payments	
9	Exchange Rate	
10	Financial Globalization	
Week exam	TBA	Final exam (2h)

MSc in International Business

Reading Materials/ Bibliography/Resources

The main textbook used in the course is:

- Krugman, P., Obstfeld, M., & Melitz, M. (2017). International Economics: Theory and Policy, the latest edition. Pearson.

Additional reading from online publications, newspapers and others will be posted on the eCampus resources.

Finally, for those who have no training in Economics, they should get familiar with some of the concepts explained in the following book:

- Mankiw, N. G. (2020). Principles of economics. Cengage Learning.

Bio of Professor

Clàudia is a Lead Economist in the Research Unit of CaixaBank (large Spanish Bank).

She has a PhD in Economics from Columbia University and a Master in Economics from the same university as well as Universitat Pompeu Fabra.

Before joining CaixaBank she worked as a Research Assistant at Columbia University and at the National Bureau of Economic Research (NBER), and also as an Assistant Professor at Columbia University and Universitat Pompeu Fabra.

Her areas of study include international trade and macroeconomics, with particular emphasis on the US and emerging economies (Asia and Latin America) as well as on the Spanish external sector. Her research has been published in the Journal of Development Economics and the Bank of Spain, among others.