
International Economics

Professor: Claudia Canals

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Office hours: by appointment

Course Type: Compulsory

Credits: 3 ECTS

Term: First Term

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 financial markets, the exchange rate systems and monetary policy and its implications in financial markets and the economy.

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. But also, at a more micro level, why firms decide to go global and what are the main risks faced by exporters and importers. This course is related with "Institutions and Markets. Regional Processes of Economic Integration" since Processes of economic Integration are a form of globalization.

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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, the COVID-19 pandemic and the Russia-Ukraine war have had and will have a major impact on those flows, and thus, we will pay some attention to those through the different classes.

Moreover, there will be some guest speakers' sessions, where top professionals will share his/her knowledge regarding trade, finance and policy topics.

Participation in class is highly encouraged.

The professor will provide lectures slides. Moreover, there is a list of mandatory videos and readings (book chapters as well as other reading materials). All these materials 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 a weighted average of these 4 elements:

Assessment element	Weight
Individual Participation	10
Problem Set	10
Group Assignment and presentation	30
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.

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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

Classes are scheduled Wednesdays from 15:30 to 19:00. There might be some changes in the timetable and topics that will be properly announced.

Week	Day	Topics
1	28-Sep-22	Course presentation and overview Introduction to Intl. Econ. Globalization trends Gravity Model
2	5-Oct-22	Ricardian Model Data sources: economics + trade
3	19-Oct-22	Resources and Trade I
4	26-Oct-22	Resources and Trade II Economies of scale (and love for variety)
5	2-Nov-22	Multinationals Global Value Chains and supply bottlenecks during the pandemics
6*	9-Nov-22	Trade policy

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		Balance of Payments
7	16-Nov-22	Group Presentations
8	23-Nov-22	Balance of payments (cont.) Currency and exchange rate
9	30-Nov-22	Guest speaker: financial markets
10	To be scheduled	Guest speaker: firms trading
	14-Dec-22	FINAL EXAM

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 Aula Global 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.

Learning outcomes

- Obtain basic knowledge in international economics
- Show knowledge of world economic geography, as well as international institutions and organizations
- Knowing the main features of different cultures and civilizations, in addition to understanding the reason for current problems in the world and what causes and consequences have had or may have in the short or medium term the hottest issues of today
- Relate and analyze historical and current economic, social and political facts with knowledge of international economics and law
- Know the main sources of information and documentation at an international level
- Apply the knowledge acquired and the ability to relate political and economic events and the repercussions that these connectivities have in the globalized world
- Know the main concepts, institutions and rules related to intergovernmental cooperation and regional economic integration.
- Identify the economic, cultural, political, legal, demographic and technological environments that may represent opportunities and threats for the development of business activity at an international level.
- Recognize international economic institutions and assess their influence on economic growth, international trade and financial relations.

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Competences

BASIC COMPETENCES

CB7. That students know how to apply the acquired knowledge and their ability to solve problems in new or little-known environments within broader (or multidisciplinary) contexts related to their area of study.

CB9. That students know how to communicate their conclusions and their knowledge and reasons that support them to specialized and non-specialized audiences in a clear and unambiguous way.

CB10. That students possess the learning skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

GENERAL COMPETENCES

Instrumental skills

G1. Search, analysis, evaluation and synthesis of information. Managing the information acquired from its analysis, its assessment and the synthesis of that information.

G3. Communicate orally and in writing in English.

Personal generic competencies

G4. Leadership and management capacity of multicultural, interdisciplinary, competitive, changing and complex groups.

G6. Put into practice the essential elements to be able to carry out a negotiation.

Systemic generic competencies

G7. Understand an organization with a global perspective.

G9. Promote respect for multicultural values: equality, solidarity, commitment.

Competencies for applicability

G10. Make the knowledge and skills acquired effective in an advanced way.

G11. Apply quantitative criteria and qualitative aspects in decision making.

SPECIFIC COMPETENCES

E4. Analyze, synthesize and interpret the data and master its application in the analysis of the business potential of a country.

E5. Interpret the current and future situation of the international economic, legal, social, and political environment.

E6. Recognize and identify sources of information and international documentation (public and private) on the business potential of a country and a sector of economic activity.

E7. Evaluate and select the pool of countries with potential for the internationalization of the company, identifying the strategic fit of the company with the opportunity that each one represents.

Bio of Professor

Clàudia Canals: Lead Economist in the Research Unit of CaixaBank (largest Spanish Bank); Lecturer at ESCI-UPF Master of Science in International Businesses and at UPF Global Studies Degree; and Member of the Editorial Board of “Revista CIDOB Afers Internacionals”.

She holds a PhD in Economics from Columbia University and a Master in Economics from the same university as well as from 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 as an Assistant Professor at Columbia University and Universitat Pompeu Fabra.

Her areas of study include international trade and macroeconomics, with 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.