I will calculate your semester grade by weighing the mid-term examination one unit, your class presentations based on a research paper (see last section) one unit, and your final examination one unit (old exams are at http://www.ksu.edu/economics/nafwayne/class.htm). Additionally, I will raise your semester numerical score if you make an excellent contribution to class.

RELATIONSHIP OF THE COURSE TO OTHER INTERNATIONAL ECONOMICS COURSES

The prerequisite for this course is Economics 681 or equivalent. The course does not cover the same ground as, but is complementary to, International Economics (Economics 681), International Trade Theory and Policy (Economics 981), and International Markets and Agricultural Trade (Agec 840).

The major objective of the course is to help students acquire an analytical framework to examine contemporary international economic issues, such as the global (especially Asian, Latin, and Russian) financial crisis, international adjustment and reform in developing and transitional economies, U.S.-Japanese bilateral economic relationships, trade and income distribution, regional economic integration, the international monetary system, the U.S. balance of payments problem, and globalization. The goal is to provide students with the background, experience, and tools for future analysis of international economic problems and policies.

REQUIRED MONOGRAPHS


Michael Mussa, Argentina and the Fund: From Triumph to Tragedy (Washington, D.C.:


Institute for International Economics monographs are at the bookstore or at [www.iie.com/](http://www.iie.com/).

**PLAGIARISM**

Plagiarism: University policy is: “Plagiarism and cheating are serious offenses and may be punished by failure on the exam, paper, or project; failure in the course; and/or expulsion from the university.” For more information refer to “Academic Dishonesty,” [http://www.ksu.edu/uauc/fhbook/fhxf.html](http://www.ksu.edu/uauc/fhbook/fhxf.html).

**REQUIRED READING ASSIGNMENTS**


**Is the U.S. Trade Deficit Sustainable? Is the Dollar Overvalued or Undervalued** Since Bergsten and Williamson wrote their book, the dollar has devalued, necessitating an extension of Figure 3.5, p. 69. Nevertheless, issues concerning the U.S. current account deficit and valuation of the dollar are still current.


The Global Financial Crisis


The International Monetary System, Exchange Rates, and Reform of the IMF


Gerard Caprio and Patrick Honohan, “Restoring Banking Stability: Beyond Supervised Capital
Requirements,” *Journal of Economic Perspectives* 13(4) (Fall 1999): 43-64, Eis.


**Stabilization, Debt, and Reform in Developing Countries**


**EXAMINATION**

**Has Globalization Gone too Far?**


**Trade and Income Distribution**


The EU, NAFTA, and APEC: The Effect of Regional Trading Blocs


Class Presentations

FINAL EXAMINATION, WEDNESDAY, DECEMBER 18, 4:10-6:00 P.M.

CLASS PRESENTATIONS

You will be expected to make a class presentation on research (empirical, conceptual or analytical) related to a topic on international economics once during the semester. One student is to make a presentation on “Does Trade Cause Growth?”, based on Frankel and Romer, *AER* (June 1999). Indicate a tentative topic by Wednesday, August 27, and an outline one week before your oral presentation.

Lecture material not included in your reading will be included on exam.

You can present empirical, conceptual, or analytical work on a topic close to the time related topics are discussed in class; as an alternative, you can present your topic during the last few class periods. You are required to provide both written and oral versions of your work, but the written version can be revised to be handed in to the instructor or e-mailed to him on or before Friday, December 12 at 12:30 p.m.
Your paper should have ample references to literature in the field (except the Frankel-Romer presentation is not expected to have so many references to other papers). You are to use standard bibliographical and citation procedures (if in doubt, use the procedures of a recent *American Economic Review*). For material on the web, the bibliographical citation must be complete, for example, Stanley Fischer, “The Asian Crisis: the Return of Growth,” International Monetary Fund, Washington, D.C., paper presented to the Asia Society, Hong Kong, June 17, 1999,. (http://www.imf.org/external/np/speeches/1999/061799.HTM). Feel free to hand in an earlier draft so that I can give you comments that will allow you to improve your paper (but give me a few days to respond), or ask questions about your progress at earlier stages of work on your paper.

Following are internet sources that may help you in brainstorming for topics:

http://www.iee.com/publications/toc.cfm;  http://altaplana.com/Gate.international.html indicates international agencies, which might suggest possible topics; http://www.ksu.edu/economics/nafwayne/edc.htm, although listed for another course, has sources in international economics that might aid you in finding topics, including a description of http://www.econlit.org/, available on the library’s website, http://www.lib.ksu.edu/. Perusal of http://www.iee.com/ might suggest topics. Other topics, for example, might include agricultural trade policy for the WTO, the new classical macroeconomics: its implications for international trade; a critique of the neoclassical approach to international trade; credibility and stabilization; the international economics of the environment (including the international economics of global warming), and the cost of protection in China.
