IGS 8A

ECONOMIC PRINCIPLES AND GLOBALIZATION

OVERVIEW

There are three main goals of this course. The first is to provide a basic introduction into economic thought, particularly for those students who may not take other classes in economics. The second is to provide you with the economic models, concepts and knowledge that will help you to understand the phenomenon of globalization. The third is to convey those concepts using real-world examples, so that economic analysis is entrenched in daily experience.

The course begins by developing core economic principles. These include comparative advantage, supply and demand, consumer and producer surplus, and different types of market failure, including externalities and public goods. We then apply these ideas to the analysis of globalization, understood as an increasing international flow of goods, people, firms, and money.

REQUIREMENTS

Specific readings will be assigned for each class and are listed on pages 3-4. In addition, short news articles, relating to the topic under discussion, will be distributed via Latte. You are expected to come to class having read the assigned material.

Course requirements include attendance at lectures, problem sets, quizzes, a midterm, and a final exam. The quizzes, midterm, and final exam are closed-book closed-notes. No makeup exams will be offered unless a student is forced to miss scheduled exams due to documented illness or bereavement. A student who is unable to take the final examination must obtain advance authorization from the instructor.

The weighting scheme for course requirements is as shown below:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percent of Final Grade</th>
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<tbody>
<tr>
<td>Midterm</td>
<td>27 %</td>
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<tr>
<td>Problem Sets</td>
<td>16 %</td>
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<tr>
<td>Final Exam</td>
<td>32 %</td>
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<tr>
<td>Participation</td>
<td>10 %</td>
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<tr>
<td>Quizzes</td>
<td>15 %</td>
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**Grading:** A letter grade will be based on a numeric scale in which an A grade (of whatever level) corresponds to a numeric grade of 90 or above, a B grade corresponds to a numeric grade of 80-89 and so on.

**Please Note:** I will not give “extra-credit assignments”. The grades will be computed entirely from the scores obtained in the assignments listed above. Attendance at classes is **strongly encouraged**. Participation in recitation will also be helpful, particularly if you do not have a background in economics. Attendance will also be a factor in determining your participation grade. If you know that you cannot attend class on a particular day, for a specific reason, please email me in advance to communicate this.

**Excused Absence Policy:** If there is an emergency and/or a loss in your family, or if you experience health problems, you should communicate with your staff academic advisor at academic services. In most cases, they will send me (and your other professors) a written letter explaining the circumstances. You will then be excused from the attendance and problem set duties for the duration of the emergency. This is a standard university procedure for your support. Don't hesitate to get in touch with your Advisor. He/she can be very helpful.

**IMPORTANT DATES**

Quizzes: October 7th, November 9th, November 23rd.
Midterm: Monday, October 19th
Final Exam: TBA
Problem Sets: Wednesday **before** class. There will be eight problem sets. They are tentatively set for 09/09, 09/16, 09/30, 10/14, 10/28, 11/04, 11/18, 12/02.

**TEXTBOOKS**

We will be reading sections of two main text books. They are:


If you so chose, you may purchase these textbooks separately. They are also available at the library as course reserves. However, for your convenience, the chapters of each that we will actually cover have been combined into an “off the shelf” textbook for this class. This is available in the bookshop as a book with a black cover called, *IGS 8A: Economic Principles of Globalization*. Purchase of this book also gives you access to the Pearson MyEconLab website, which includes examples of concepts, individualized practice, and review questions. In this syllabus, page and chapter numbers will refer to the combined text that is available at the bookshop, but I will happily supply page and chapter numbers for the individual tests. For fun, I also set chapters from Hovey and Rehmke’s *Complete Idiot’s Guide to Global Economics*, 2008.

If you so choose, you can order this quite cheaply on Amazon.

Supplementary material from other textbooks (mainly from Kenneth Reinert’s *International Economics*) will be available for you to read on Latte.
**Special Accommodation**

If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me at the start of the semester. Please keep in mind that accommodations cannot be provided retroactively.

**Academic Honesty**

You are expected to show integrity in all of your academic work. The University policy on academic integrity is given at http://www.brandeis.edu/studentlife/sdc/ai. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. If you have any questions about my expectations, please ask.

*Academic dishonesty will not be tolerated and will be vigorously prosecuted.*

**Tentative Course Outline**

1. Introduction to the Course, August 31st
2. Core Principles of Microeconomics, September 2nd – October 7th (8 classes)
   
   (a) Rationality and Opportunity Cost, Acemoglu et al: Ch. 1-2, Hovey & Rehmke, Ch.2
   (b) Comparative Advantage, Acemoglu et al: 7.1 – 7.3 (pp. 162-174), Hovey & Rehmke, Ch.5
   (c) Demand, Supply and Equilibrium, Acemoglu et al: Ch. 3, Hovey & Rehmke, Ch. 3
   (d) Consumer and Producer Surplus & Welfare, Acemoglu et al: Chapters 4-6 and 9.
   (e) Externalities and Public Goods, Acemoglu et al: Chapter 8

3. The Core Principles and the Global World, October 12th – November 4th (7 classes)
   
   (a) How global is the world? Gerber, Ch. 11-12, Hovey & Rehmke, Ch. 1
   (b) The Gains from Trade, Acemoglu et al, Ch.7.4-7.5, Gerber, Chapter 13
   (c) *Who* Gains from Trade? Gerber, Chapter 13, Hovey & Rehmke, Ch. 4
   (d) Why do nations “protect”? Gerber, Ch. 16-17, Hovey & Rehmke, Ch. 6-8
   (e) Movements in Capital and Labor, Hovey & Rehmke, Ch. 10, 19, materials on Latte.
4. Macroeconomics and the Global World, November 9th – November 30th (6 classes)
   (a) Trade and the Balance of Payments, Gerber Ch. 19
   (b) Paying across borders: Exchange Rates, Gerber Ch. 20, Hovey & Rehmke, Ch. 12-14
   (c) Trade and the domestic Economy, Gerber, Ch. 21
   (d) International Financial Crises, Gerber, Ch. 22, Hovey & Rehmke, Ch. 15

5. The Global World and Growth, December 2nd – 9th (3 classes)
   (a) Measuring Development, Reinert Chapter 20 (on Latte)
   (b) Generating Development and Growth, Reinert, Ch. 21-22 (Latte), Hovey & Rehmke, Ch.16