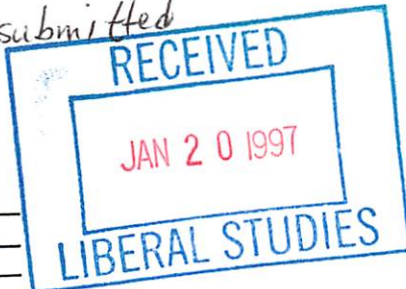


Resubmitted



LSC Use Only  
Number:  
Submission Date:  
Action-Date:

UWUCC USE Only  
Number: 96-1  
Submission Date:  
Action-Date: App 2/25/97  
Senate App  
3/11/97

CURRICULUM PROPOSAL COVER SHEET  
University-Wide Undergraduate Curriculum Committee

I. CONTACT

Contact Person Yaw A. Asamoah Phone 357-2640  
Department Economics

II. PROPOSAL TYPE (Check All Appropriate Lines)

- COURSE International Econ I  
Suggested 20 character title
- New Course\* \_\_\_\_\_  
Course Number and Full Title
- Course Revision EC 345 International Economics I  
Course Number and Full Title
- Liberal Studies Approval+ \_\_\_\_\_  
for new or existing course Course Number and Full Title
- Course Deletion \_\_\_\_\_  
Course Number and Full Title
- Number and/or Title Change EC 345 International Economics I  
Old Number and/or Full Old Title  
EC 345 International Trade  
New Number and/or Full New Title
- Course or Catalog Description Change EC345 International Economics I  
Course Number and Full Title
- PROGRAM: \_\_\_\_\_ Major \_\_\_\_\_ Minor \_\_\_\_\_ Track
- New Program\* \_\_\_\_\_  
Program Name
- Program Revision\* \_\_\_\_\_  
Program Name
- Program Deletion\* \_\_\_\_\_  
Program Name
- Title Change \_\_\_\_\_  
Old Program Name  
\_\_\_\_\_  
New Program Name

III. Approvals (signatures and date)

James A. Dyer Department Curriculum Committee  
[Signature] 2/22/95 College Curriculum Committee  
[Signature] Department Chair  
[Signature] 2/22/95 College Dean

+ Director of Liberal Studies (where applicable) \*Provost (where applicable)

[Proposal for Changes in Course Title and Course Description]

**Part II: Description of Curriculum Changes**

**From:** EC 345 International Economics I 3c-0l-3sh  
Prerequisites: EC 121 and EC 122 or permission of the instructor  
Theory of international trade; analysis of balance of payments; international economic equilibrium; mechanism of international economic and monetary adjustments.

**To:** EC 345 International Trade 3c-0l-3sh  
Prerequisites: EC 121 and EC 122 or permission of the instructor.  
Study of the microeconomic segment of international specialization and exchange, including theories of international trade and their application to commercial policies; historical survey and examination of current problems of international trade; and the institutional setting of international trade.

**Rationale for the changes:**

The proposed course title and course description changes are an integral part of the attached course revision proposal.

[Course Revision Proposal]

**Part II. Description of the Curriculum Change**

1. **A New Syllabus of Record is submitted as Attachment A.**
2. **Summary of proposed revisions.**  
The proposed revisions seek to rearrange the topics designed to be taught in our EC 345/346 sequence. The Department of Economics proposes to move from the current theory/application split to the more traditional microeconomic/macroeconomic division.
3. **As the current course descriptions for EC 345/346 show, the courses were originally designed to cover theories of international trade and international payments in EC 345 International Economics I, and then to devote EC 346 International Economics II to applications. Our experience in the last twelve years shows that this course design does not work well, hence the need for revision.**

The current division of topics suggests that we 'defer' policy applications until EC 346. If we were to stick to this plan, we would face pedagogic as well as practical problems. The theory-only course would be abstract and less interesting for the students -- about 80% of these being Business and International Studies majors--who enroll in it. In order to generate student interest in the course, and also because EC 346 (the applied course) has not been offered on a regular basis in the past, the department has had to cover both theory and applications in the same semester. Covering about twice as many topics in EC 345 as was originally intended severely limits the depth and substance of the content.

The proposed division of topics along their natural micro/macro lines would enable the department to cover both theory and applications at an appropriate depth in each course. Furthermore, if the proposal to change pre-requisites in EC 346 is approved, we will be able to more effectively serve a larger pool of students (in economics and related majors) by scheduling EC 346 on a regular basis.

4. **The old syllabus of record being unavailable, we submit a copy of a recent course syllabus as Attachment B.**
5. **This is not a liberal studies course.**

**COURSE SYLLABUS**

**I. Catalog Description**

EC 345 International Trade

3c-0l-3sh

Prerequisites: EC 121 and EC 122 or permission of the instructor.

Study of the microeconomic segment of international specialization and exchange, including theories of international trade and their application to commercial policies; historical survey and examination of current problems of international trade; and the institutional setting of international trade.

**II. Course Objectives**

This course aims at helping students understand

1. The theories of trade advanced to explain why nations trade.
2. The impact of free trade on a nation's current standard of living and its future economic growth.
3. National commercial policies, why and how governments interfere with trade, and the welfare effects of managed trade.
4. Multilateral trade-liberalization agreements--the General Agreement on Tariffs and Trade and the World Trade Organization.
5. Customs union theory; the various stages of economic integration, and case studies in economic integration.

**III. Course Outline**

- |  |                  |
|--|------------------|
| <p>A. Trade Theory</p> <ol style="list-style-type: none"><li>1. Classical Trade Theory</li><li>2. Heckscher-Ohlin Theorem</li><li>3. Extensions to the Heckscher-Ohlin Trade Model</li><li>4. Empirical Test of Heckscher-Ohlin Theorem</li><li>5. Complementary Theories of Trade</li></ol> <p><b>Exam 1</b></p>  | <p>(5 weeks)</p> |
| <p>B. Trade Policy</p> <ol style="list-style-type: none"><li>1. Range of Commercial Policy Postures</li><li>2. Introduction to the Tools of Commercial Policy</li><li>3. The Welfare Effects of a Tariff<br/>    The Small &amp; Large Country Models</li><li>4. Arguments for Protection</li><li>5. Measuring Protection: Nominal v. Effective Protection</li><li>6. Non-Tariff Trade Barriers</li></ol> <p><b>Exam 2</b></p> | <p>(4 weeks)</p> |
| <p>C. Introduction to U.S. Commercial Policy</p> <ol style="list-style-type: none"><li>1. Brief History of U.S. Commercial Policy</li></ol>  | <p>(3 weeks)</p> |

2. U.S. Leadership in Multilateral Trade Liberalization
3. The General Agreement on Tariffs & Trade
4. The World Trade Organization

D. Economic Integration (2 weeks)

1. Stages of Regional Economic Integration
2. Welfare Effects of a Customs Union
3. History of the European Community
4. Other Regional Trading Blocs

**Final Exam**

**IV. Evaluation Methods**

The final grade will be determined as follows:

**75%** Three exams—two exams during the semester and a final exam. Each exam will carry a weight of 25%, and will consist of short-essay questions that would require the student to argue in support of, or in opposition to a given statement.

**15%** Two reviews of articles to be selected from *Finance & Development* (a quarterly publication of the International Monetary Fund and the World Bank), or from the World Bank's annual publication, *World Development Report*.

**10%** In-class activity; this includes the several collaborative or group assignments given in class.

The following numerical scale is typically used to determine the minimum overall letter grades for the course:

80 - 100: A;	70 - 79: B;	60 - 69: C;
50 - 59: D;	49 or less: F	

**V. Attendance Policy**

Although class attendance is not required, students are expected to come to class since absences will cost them a share of the points they can earn through class participation and the in-class group assignments.

**VI. Required Textbook and Supplementary Readings**

Asheghian, Parviz (1995). International Economics, West Publishing Company: St. Paul, MN.  
The Wall Street Journal (daily)  
The Economist or Businessweek (weekly)  
Finance and Development (Quarterly)  
 World Development Report, various years.

**VII. Bibliography**

"Survey: The European Union." The Economist, October 1994, pp. 3-22.  
 Aguilar, Linda M. (1994). "NAFTA: A Review of the Issues," in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1995, McGraw-Hill, Inc.: New York, NY. pp. 183-190.  
 Carbaugh, Robert J. (1995). International Economics, 5th. Edition, South-Western: Cincinnati, OH.

- Drucker, Peter F. "Trade Lessons from the World Economy," in Foreign Affairs, Vol. 73, No. 1, January 1994.
- Fenestra, Robert C. (1994). "How Costly is Protectionism?," in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1995, McGraw-Hill, Inc.: New York, NY. pp. 3-19.
- Fields, Karl J. (1992). "Circling the Wagons: The Trend Toward Economic Regionalism and Its Consequences for Asia," in Issues and Studies, Vol. 28, No. 12.
- Kreinin, Mordechai E. (1995). International Economics: A Policy Approach, 7th. Edition, Harcourt Brace & Co: Orlando, FL.
- Krugman, Paul (1995). "The Move Toward Free Trade Zones," in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1995, McGraw-Hill, Inc.: New York, NY. pp. 163-182.
- Krugman, Paul R (1995). "Is Free Trade Passe?," in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1995, McGraw-Hill, Inc.: New York, NY. pp. 21-32.
- Lindert, Peter H. and Thomas A. Pugel (1996). International Economics, 10th. Edition, Irwin: Chicago, IL.
- Root, Franklin R. (1994). International Trade and Investment, 7th. Edition, South-Western: Cincinnati, OH.
- Salvatore, Dominick (1993). International Economics, 4th. Edition, Macmillan: New York, NY.
- Thompson, Henry (1993). International Economics: A Microeconomic Approach, Longman: White Plains, N.Y.
- Tyson, Laura D'Andrea (1994). "From MOSS to Motorola and Cray: Managing Trade by Rules and Outcomes," in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1995, McGraw-Hill, Inc.: New York, NY. pp. 33-63.

## Course Analysis Questionnaire

### Section A: Details of the Course

- A1 This course (EC 345) is one of the controlled electives in the Bachelor of Arts - Economics, and the Bachelor of Arts - Economics/Pre-Law programs. It is also listed as a controlled elective in the B.S. program in Finance, the B.S. program in Marketing, and is required in the new B.S. program in International Business. This course is not intended to be a Liberal Studies course.
- A2 The course does not require changes in any course other than its companion, EC 346. A parallel course revision proposal for EC 346 is being submitted with this proposal.
- A3 The course is offered three times a year (each semester and once during the summer). Course enrollment over the last five years has averaged about 25 students during the semester, and 12 students in the summer.
- A4 This course is intended to be offered as a dual-level course. A similar course revision proposal for EC 545 is being submitted to the Graduate Committee.
- A5 This course is not to be taken for variable credit.
- A6 Similar courses are offered at the following institutions, among others:  
Bentley College, EC 311 International Economics.  
Boston University (College of Arts and Sciences), EC 291 International Economics I (for non-majors).  
Boston University (College of Arts and Sciences), EC 391 International Economics I (for Economics majors only).  
Boston University (School of Management), IM 345 International Economic Relations I.  
Bowling Green State University, ECON 451 International Trade.  
Course descriptions from Boston University and Bowling Green State University are attached.
- A7 No professional society, accrediting authority, law or other external agency recommends or requires the content or skills of this course.

### Section B: Interdisciplinary Implications

- B1 This course is taught by one instructor.
- B2 The content of this course does not overlap with any other at IUP.
- B3 This course is not cross-listed.

### Section C: Implementation

- C1 Faculty resources to teach the course are adequate. No new faculty member is required to teach the course.
- C2 Other resources:
- a. Current space allocations are adequate to offer this course.
  - b. No special equipment is needed for this course.
  - c. No laboratory supplies are necessary for this course.
  - d. Our Library holdings have been inadequate for the current course; a course revision proposal is not likely to change the situation. Important reference materials such as the International Monetary Fund's *International Financial Statistics*, a basic data source found in practically every university library, remains unavailable in our Library. In addition, our Library's holdings of basic yearbooks such as the *UN Yearbook of National Accounts Statistics* are dated.
  - e. There are no travel requirements associated with the delivery of this course.
- C3 Delivery of this course is not supported by grant funds.
- C4 The department of Economics plans to offer this course with the same frequency as before: three times a year.
- C5 The department of Economics routinely offers a section of the course each semester. On occasion, the department has opened a second section to accommodate an unusually high demand for seats in the course.
- C6 The department anticipates a future enrollment of 20 to 25 students per semester. This projection is based on past enrollment patterns.
- C7 No professional society recommends enrollment limits or parameters for this course.
- C8 This course does not involve the use of telecourses or the use of interactive technologies.

### D. Miscellaneous

No additional information is necessary.



**Attachment B (Old Syllabus)**

Department of Economics  
Spring 1992

Course: EC345W International Economics I  
Instructor: Dr. Asamoah  
Office: Keith 145      Telephone: 357-2641  
Office Hours: MWF 10:40-11:40 a.m., TR 11:20-12:20 p.m.

Main Text: Robert J. Carbaugh, International Economics, 4th edition, Wadsworth, 1992.

Supplementary (All the Supplementary Texts are available on Reserve, Stapleton Library, as are two principles texts for your review).

Texts: Miltiades Chacholiades, International Economics, McGraw Hill, 1990.  
Mordechai E. Kreinin, International Economics. A Policy Approach, 6th edition, Harcourt Brace Jovanovich, 1991.  
Beth V. and Robert M. Yarbrough, The World Economy: Trade and Finance, Dryden Press, 1988.

Recommended

Reading: The Wall Street Journal (daily).

**Course Requirements:**

In addition to helping you understand the theories of international trade and international monetary payments (among other topics), this course offers you an opportunity to enhance your writing skills. It is based on the concepts you learned in your introductory economics courses. A principles text would therefore be useful for review purposes. You should also be able to understand graphs, since the use of diagrams is an important element of the course.

Your final grade will be determined by the following scheme:

<u>Item</u>	<u>% of Final Grade</u>
Exam 1	20
Exam 2	20
Final	20
Hwk. & In-Class Assignments	20
<u>Article Reviews</u>	<u>20</u>
Total	100

Each exam will consist of both essay and true/false (with explanation) questions. They will be based on material presented in class and on the assigned readings from the texts. The date for Exams 1 and 2 will be announced in class at least week before each exam. The final exam will be given as scheduled (i.e. on May 7) during final exams week. I will give a rare make-up exam for those who come to see me at least 2 days before the exam.

You are also required to submit four reviews of articles selected from a list of business periodicals. These reviews are intended to (a) coax you into exercising and enhancing your writing skills, and (b) help you recognize the practical applications of concepts in international economics. You will be issued a handout with details on this writing exercise at the beginning of the semester.

I will grade only a sample of the several homework assignments you will be given during the semester. Your assignments should be stapled together when you turn them in. I do not accept late homework; neither do I give make-up assignments. If you miss a homework assignment, you will

receive a zero unless you can document that this was due to illness, family emergency, or your participation in an approved university team activity. Your total score on the homework segment of the course will be based on the four or five that will be sampled for grading. Since in-class assignments make up part of your grade, you have an extra incentive to attend class.

Finally (and perhaps needless to say), if you miss class it is your responsibility to find out what you missed from your classmates.

### COURSE OUTLINE

<u>Date</u> (Week Beginning)	<u>Topic</u>	<u>Reading Assignment</u>	
<b>PART I: INTERNATIONAL PAYMENTS</b>			
January	21	The Balance of Payments	Chapter 11
	28	Exchange Rate Determination	Chapters 12 & 13
February	4 & 11	Exchange Rate Policies & Macroeconomic Stability BOP Adjustment Under Fixed Exchange Rates	Chapter 14
	18	Devaluation and the BOP Alternative Exchange Rate Systems	Chapter 15 Chapter 16
	25	History of the International Monetary System	Chapter 17
<b>PART II: TRADE THEORY</b>			
March	3	Theories of International Trade: (1) Classical Trade Theory	Chapters 2 & 3
	17 & 24	(2) Modern Trade Theories: a. Conventional Theory	Chapter 4
	31	b. Complementary Theories: Economies of Scale, Imperfect Competition and Product Differentiation	Chapter 4
<b>PART III: TRADE POLICY</b>			
April	7	The Basic Analysis of a Tariff and Arguments for Protection	Chapter 5
	14 & 23	Non-Tariff Trade Barriers	Chapter 6
	28	Intro to U.S. Commercial Policy; General Agreement on Tariffs & Trade	Chapter 7
May	5	Economic Integration	Chapter 9

Date: November 4, 1996

Subject: Course Revision Proposals

To: Dr. Robert C. Camp, Dean  
The Eberly College of Business

From: Donald Walker, Chairperson *Daw*  
Department of Economics

Please find attached our course revision proposals for EC 345/346 International Economics I & II. As the attached summary indicates, the Department of Economics proposes to move from the current theory/application division of topics in these courses to a more traditional micro/macro split.

Your new program in International Business will be affected by the proposed revision because EC 345 is a required course in the program. I would appreciate your review of the proposal and your writing me a letter of support. As you know, the University-wide Undergraduate Curriculum Committee requires letters of support for such a course revision. If, on the other hand, you have any reservations about our plans, please let me know directly so that we may address them.


If the proposal is approved by the University Senate, we recommend that you add the revised EC 346 to the list of courses required in the B.S. in International Business program, since 346 would cover some of the topics currently taught in EC 345. You might, however, simply urge your faculty-advisors to encourage International Business majors to take EC 346 in addition to EC 345. If the addition of 3 credits would be difficult because of a credit-hour constraint, you might judge that one of the courses is more suitable than the other for the needs of your students.

I would be happy to discuss these matters with you or your representative. Thank you.

Date: November 4, 1996

Subject: Course Revision Proposals

To: Dr. Krish Krishnan, Chairperson  
Department of Marketing

From: Donald Walker, Chairperson   
Department of Economics

Please find attached our course revision proposals for EC 345/346 International Economics I & II. As the attached summary indicates, the Department of Economics proposes to move from the current theory/application division of topics in these courses to a more traditional micro/macro split.

Your department may be affected by the proposed revision because EC 345 is listed as a controlled elective in the B.S. program in Marketing. I would appreciate your review of the proposal and your writing me a letter of support. As you know, the University-wide Undergraduate Curriculum Committee requires letters of support for such a course revision. If, on the other hand, you have any reservations about our plans, please let me know directly so that we may address them.

If the proposal is approved by the University Senate, we recommend that you add the revised EC 346 to your list of controlled electives for the B.S. in Marketing, since 346 would cover some of the topics currently taught in EC 345.

I would be happy to discuss these matters with you or your representative. Thank you.

Date: November 4, 1996

Subject: Course Revision Proposals

To: Dr. Terry Ray, Chairperson  
Department of Finance and Legal Studies

From: Donald Walker, Chairperson *Daw*  
Department of Economics

Please find attached our course revision proposals for EC 345/346 International Economics I & II. As the attached summary indicates, the Department of Economics proposes to move from the current theory/application division of topics in these courses to a more traditional micro/macro split.

Your department may be affected by the proposed revision because EC 345 is listed as a controlled elective in the B.S. program in Finance. I would appreciate your review of the proposal and your writing me a letter of support. As you know, the University-wide Undergraduate Curriculum Committee requires letters of support for such a course revision. If, on the other hand, you have any reservations about our plans, please let me know directly so that we may address them.

If the proposal is approved by the University Senate, we recommend that you add the revised EC 346 to your list of controlled electives for the B.S. in Finance, since 346 would cover some of the topics currently taught in EC 345.

I would be happy to discuss these matters with you or your representative. Thank you.