



**Part II: Description of Curriculum Changes**

From EC 346 International Economics II

to EC 347

Prerequisites: EC 345 or permission of the instructor

Application of theory of international trade to empirical data and problems; historical

survey and examination of current problems of international trade; the institutional

[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**

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

## COURSE SYLLABUS

### I. Catalog Description

EC 346 International Payments

3c-01-3sh

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

Study of the macroeconomic segment of international specialization and exchange, including analysis of balance of payments, exchange rates, and the mechanism of international economic and monetary adjustments; international macroeconomic policy; historical survey and examination of current international financial problems; and the institutional setting of international payments.

### II. Course Objectives

This course aims at helping students understand

1. The tools used by economists to record and report international financial settlements

2. Foreign exchange markets and theories that explain how the exchange rate of currencies are determined.

3. Balance of payments disequilibria, their impact on the domestic economy, why they require correction (or adjustment), and balance of payments adjustment policies.

4. The international monetary system and its history.

### III. Course Outline

A. The Balance of Payments

(2 weeks)

3. The Bretton-Woods Years
  4. The Years Since Bretton-Woods
- Final Exam**

**IV. Evaluation Methods**

The final grade will be determined as follows:

75% Three essays to be given during the semester. Each essay will be worth 25% of the final grade.

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 *Economic & Development* to be presented in class.

McKinnon, Ronald I. (1994). "Monetary and Exchange Rate Policies for International Financial Stability: A Proposal," in Phillip King, ed., International Economics and International Economic Policy: A Reader 2nd

Root, Franklin R. (1994). International Trade and Investment, 7th. Edition, South-Western: Cincinnati, OH.  
Sachs, Jeffrey (1994). "Beyond Bretton woods: A New Blueprint," in The Economist, October 1994. pp. 23-27.

Sachs, Jeffrey D. (1994). "A Strategy for Efficient Debt Reduction," in Phillip King, ed., International Economics and International Economic Policy: A Reader 2nd Edition, 1994, McGraw-Hill, Inc., New York.

NY. pp. 289-305.

Salvatore, Dominick (1993). International Economics, 4th. Edition, Macmillan: New York, NY.

Spencer, Grant and Adrienne Cheasty (1994). "The Ruble Area: A Breaking of Old Ties?" in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1994, McGraw-Hill, Inc.: New York, NY. pp. 393-400.

Tavlas, George S. (1994). "The Theory of Optimum Currency Areas Revisited," in Phillip King, ed., International Economics and International Economic Policy: A Reader, 2nd Edition. 1994, McGraw-Hill, Inc.: New York, NY. pp. 359-365.

Thompson, Henry (1993). International Economics: A Microeconomic Approach, 2nd Edition, Wiley: New York.

Economics, and the Bachelor of Arts - Economics/Pre-Law programs. It course is not intended to be a Liberal Studies 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 and it is doubtful that a course revision proposal is likely to change the situation. Items such as

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



**Attachment B (Old Syllabus)**

IUP  
Department of Economics  
Spring 1985

Course: International Economics II

Instructor: Mr. Asamoah

Phone: 257-2661

Office Hours: TR 3:30-5:30, F 3:30-4:30, and by appointment

Text: Franklin P. Root, International Trade and Investment, 5th

Edition.

The International Economy.

6th Edition.

Michael P. Todaro, Economic Development in the Third World,  
Second Edition.

Course Requirements:

The final grade will be determined by the following scheme:

COURSE OUTLINE

- A. Why nations trade; the importance of trade to respective nations.
- B. Financial Settlements in International Trade.

**II. Controls on Trade**

- A. Market disruption, exchange control, state marketing boards.

**III. Trade and Development**

- A. Introduction to LDCs.  
        Todaro, Chapters 1, 2, 3

**Part III      Letters of Support**

(The LIWJCC should know that in each May 1st - 4th, Dan... 07... )

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Date: November 4, 1996

Subject: Course Revision Proposals

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 documents indicate, 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 like to

Date: November 4, 1996

Subject: Course Revision Proposals

To: Dr. Krish Krishnan, Chairperson  
Department of Marketing

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 theoretical/division of

Date: November 4, 1996

Subject: Course Revision Proposals

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

From: Donald Walker, Chairperson *D. W.*

Please find attached our course revision proposals for EC 345/346 International Economics I & II. As the attached summary indicates, the Department 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