

# EC312-15 International Economics

**20/21**

**Department**

Economics

**Level**

Undergraduate Level 3

**Module leader**

Natalie Chen

**Credit value**

15

**Module duration**

10 weeks

**Assessment**

Multiple

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

This module allows students to develop a good understanding of international macroeconomic issues, and in particular to understand and manipulate simple economic models and to read critically the empirical literature in the area of international macroeconomics.

[Module web page](#)

### Module aims

The module aims to enable students to obtain a good understanding of international macroeconomic issues and examines national income accounting in an open economy. Students will develop an appreciation of the balance of payments, models of the intertemporal approach to the current account, the foreign exchange market and the interaction between price levels and exchange rates in the long-run. A critical understanding of models of exchange rate determination with flexible prices, fixed prices and sticky prices will be developed. Students will also develop an understanding of the empirical literature on Purchasing Power Parity and on the analysis of trade flows (using the gravity equation framework) at the macroeconomic level.

### Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be

covered. Actual sessions held may differ.

The module will typically cover the following topics:

- National income accounting in an open economy and in particular the balance of payments
- Models of the inter-temporal approach to the current account
- The foreign exchange market and the interaction between price levels and exchange rates in the long-run
- Models of exchange rate determination with flexible prices (Monetary Model), fixed prices (Mundell-Fleming Model) and sticky prices (Overshooting Model)
- Purchasing Power Parity and the analysis of trade flows (using the gravity equation framework) at the macroeconomic level.

## **Learning outcomes**

By the end of the module, students should be able to:

- Professional skills: ... Review the relevant literature and evidence and demonstrate an ability to apply it. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, seminars, and independent study. The summative assessment methods that measure the achievement of this learning outcome are: Examination
- Subject knowledge and understanding: ... Demonstrate a critical understanding of applications of economics that have been specific to the study of international macroeconomics. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, seminars, and independent study. The summative assessment methods that measure the achievement of this learning outcome are: Examination
- Key skills: ... Understand and manipulate simple economic models, and to read critically the empirical literature, in the area of international macroeconomics. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, seminars, and independent study. The summative assessment methods that measure the achievement of this learning outcome are: Examination
- Cognitive skills: ... Apply critical analysis to the topics of the module, formulate concepts and hypotheses, and show how they are tested in relevant literature. The teaching and learning methods that enable students to achieve this learning outcome are: Seminars, and independent study. The summative assessment methods that measure the achievement of this learning outcome are: Examination
- Subject knowledge and understanding: ... Demonstrate general knowledge and understanding of international macroeconomics. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, seminars, and independent study. The summative assessment methods that measure the achievement of this learning outcome are: Examination

## **Indicative reading list**

Please see Talis Aspire link for most up to date list.

[View reading list on Talis Aspire](#)

## Subject specific skills

Students will have the opportunity to develop skills in:

Analytical thinking and communication

Analytical reasoning

Critical thinking

Problem-solving

Policy evaluation

Analysis of incentives

Concepts of Simultaneity and Endogeneity

## Transferable skills

Students will have the opportunity to develop:

Numeracy and quantitative skills

Written communication skills

Oral communication skills

Mathematical, statistical and data-based research skills

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## Study

### Study time

| Type          | Required                    |
|---------------|-----------------------------|
| Lectures      | 20 sessions of 1 hour (13%) |
| Seminars      | 4 sessions of 1 hour (3%)   |
| Private study | 126 hours (84%)             |
| Total         | 150 hours                   |

### Private study description

Private study will be required in order to prepare for seminars/classes, to review lecture notes, to prepare for forthcoming assessments, tests, and exams, and to undertake wider reading around the subject.

### Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

Students can register for this module without taking any assessment.

### **Assessment group D1**

|   | <b>Weighting</b> | <b>Study time</b> |
|---|------------------|-------------------|
| Test 1<br>50 minute in class test   | 20%              |                   |
| Online Examination<br>A paper which examines the course content and ensures learning outcomes are achieved. | 80%              |                   |

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- Answerbook provided by department
- Students may use a calculator

### **Assessment group R**

|   | <b>Weighting</b> | <b>Study time</b> |
|---|------------------|-------------------|
| Online Examination - Resit<br>A paper which examines the course content and ensures learning outcomes are achieved. | 100%             |                   |

~Platforms - AEP

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- Answerbook provided by department
- Students may use a calculator

### **Feedback on assessment**

The Department of Economics is committed to providing high quality and timely feedback to students on their assessed work, to enable them to review and continuously improve their work. We are dedicated to ensuring feedback is returned to students within 20 University working days of their assessment deadline. Feedback for assignments is returned either on a standardised assessment feedback cover sheet which gives information both by tick boxes and by free comments or via free text comments on tabula, together with the annotated assignment. For tests and problem sets, students receive solutions as an important form of feedback and their marked assignment, with a breakdown of marks and comments by question and sub-question. Students are informed how to access their feedback, either by collecting from the Undergraduate Office or via tabula. Module leaders often provide generic feedback for the cohort outlining what was done well, less well, and what was expected on the assignment and any other common themes. This feedback also includes a cumulative distribution function with summary statistics so students can review their performance in relation to the cohort. This feedback is in addition to the individual-

specific feedback on assessment performance.

[Past exam papers for EC312](#)

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## Availability

### Pre-requisites

To take this module, you must have passed:

- All of
  - All of
    - [EC201-30 Macroeconomics 2](#)
    - [EC202-30 Microeconomics 2](#)
  - [EC204-30 Economics 2](#)

### Courses

This module is Optional for:

- TECA-L1PA Postgraduate Taught Economics (Diploma plus MSc)
  - Year 1 of L1PA Economics (Diploma plus MSc)
  - Year 1 of L1PA Economics (Diploma plus MSc)
  - Year 2 of L1PA Economics (Diploma plus MSc)
  - Year 2 of L1PA Economics (Diploma plus MSc)
- UECA-3 Undergraduate Economics 3 Year Variants
  - Year 3 of L100 Economics
  - Year 3 of L100 Economics
  - Year 3 of L100 Economics
  - Year 3 of L116 Economics and Industrial Organization
  - Year 3 of L116 Economics and Industrial Organization
- UECA-4 Undergraduate Economics 4 Year Variants
  - Year 4 of LV16 Economics & Economic History with Study Abroad
  - Year 4 of L103 Economics with Study Abroad
  - Year 4 of L114 Industrial Economics with Study in Europe
- UECA-LM1D Undergraduate Economics, Politics and International Studies
  - Year 3 of LM1D Economics, Politics and International Studies
  - Year 3 of LM1D Economics, Politics and International Studies
- USTA-G300 Undergraduate Master of Mathematics, Operational Research, Statistics and Economics
  - Year 3 of G300 Mathematics, Operational Research, Statistics and Economics
  - Year 4 of G300 Mathematics, Operational Research, Statistics and Economics
- Year 3 of UMAA-GL11 Undergraduate Mathematics and Economics
- Year 4 of UECA-GL12 Undergraduate Mathematics and Economics (with Intercalated Year)
- USTA-G1G3 Undergraduate Mathematics and Statistics (BSc MMathStat)

- Year 3 of G1G3 Mathematics and Statistics (BSc MMathStat)
- Year 4 of G1G3 Mathematics and Statistics (BSc MMathStat)
- Year 4 of USTA-G1G4 Undergraduate Mathematics and Statistics (BSc MMathStat) (with Intercalated Year)
- UPHA-V7MM Undergraduate Philosophy, Politics and Economics (with Intercalated year)
  - Year 4 of V7MQ Philosophy, Politics and Economics (Bipartite) with Intercalated Year
  - Year 4 of V7MH Philosophy, Politics and Economics - Economics/Philosophy Bipartite (Economics Major) (with Intercalated year)
  - Year 4 of V7MF Philosophy, Politics and Economics - Economics/Politics Bipartite (Economics Major) (with Intercalated year)
  - Year 4 of V7MI Philosophy, Politics and Economics - Philosophy/Economics Bipartite (Philosophy Major) (with Intercalated year)
  - Year 4 of V7MJ Philosophy, Politics and Economics - Philosophy/Politics Bipartite (with Intercalated year)
  - Year 4 of V7MG Philosophy, Politics and Economics - Politics/Economics Bipartite (Politics Major) (with Intercalated year)

This module is Option list A for:

- USTA-Y602 Undergraduate Mathematics, Operational Research, Statistics and Economics
  - Year 3 of Y602 Mathematics, Operational Research, Stats, Economics
  - Year 3 of Y602 Mathematics, Operational Research, Stats, Economics
- Year 4 of USTA-Y603 Undergraduate Mathematics, Operational Research, Statistics, Economics (with Intercalated Year)

This module is Option list B for:

- USTA-GG14 Undergraduate Mathematics and Statistics (BSc)
  - Year 3 of GG14 Mathematics and Statistics
  - Year 3 of GG14 Mathematics and Statistics
- Year 4 of USTA-GG17 Undergraduate Mathematics and Statistics (with Intercalated Year)

This module is Option list C for:

- Year 3 of USTA-G300 Undergraduate Master of Mathematics, Operational Research, Statistics and Economics
- USTA-G301 Undergraduate Master of Mathematics, Operational Research, Statistics and Economics (with Intercalated)
  - Year 3 of G30F Master of Maths, Op.Res, Stats & Economics (Econometrics and Mathematical Economics Stream) Int
  - Year 4 of G30F Master of Maths, Op.Res, Stats & Economics (Econometrics and Mathematical Economics Stream) Int