

ECO 381 International Finance

Alliance University College – Nazarene University College
Winter 2007

Time: Thursdays, 6:00-9:00pm
Location: Room 529

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Office hours: Before and after class, or by appointment

Overview & Course Objectives

This course will investigate current topics in International Economics and Finance, Trade and Global Business. Drawing heavily from relevant news topics in business, geopolitics and international relations, students will develop a foundational understanding and ability to interpret how current events affect global business trends and Canada's place within the international financial system. While underlying topics of trade theory and finance will be covered, the focus of the course will be primarily on application to current developments and trends rather than quantitative analysis of financial or economic models.

Prerequisite: ECO 201.

Outline of Course Topics

Topics covered in the course will include the following:

1. Introduction and course overview
2. Globalization and the development of international institutions: IMF, World Bank, WTO
3. Overview of trade theory and comparative advantage
4. Protectionism, tariffs and trade policy
5. Balance of payments
6. Currencies, interest and exchange rates
7. International financial crises and geopolitics
8. Global-regional integration: NAFTA, European Union, Latin America
9. Social issues and development economics: Fair trade, microcredit, Third World debt

Course Text & Materials

The textbook for this course is International Economics by James Gerber, 3rd edition, Addison-Wesley 2005. New copies of the book can be purchased through the AUC-NUC bookstore (Christian Publications), while used copies may be available through the University of Calgary used textbook exchange site.

Supplemental readings will also be handed-out in class from academic journals, financial press newspapers such as the Globe and Mail, National Post, Wall Street Journal and Financial Times, and current event magazines such as the Economist. It is strongly recommend that students conduct readings of these sources outside of class to develop a broad knowledge of current global business trends. Students are also encouraged to bring copies of relevant articles to class for discussion. In addition to readings, audio visual presentations and guest speakers will also be used occasionally to supplement class course materials.

Evaluation

Course grading and evaluation will be conducted according to the following four elements:

Class discussion & assignments	20%
Mid-term exam	15%
Research paper & presentation	40%
Final exam	25%

Contribution to Class Discussions & Assignments:

Group discussions and analysis of current events and course topics will be a key component of learning throughout the term. Students are expected to have prepared for class through the text readings and actively participate in group discussions, including occasionally bringing news articles to class that are relevant to course topics. In addition, take-away assignments may also be occasionally given for students to complete prior to the next class that will assist in the learning and reinforcement of course material.

Mid-term Exam:

A mid-term examination will be scheduled toward the end of February or early March, encompassing topics covered in the first half of the course. Further details will be provided at a later date.

Term Paper & Class Presentation:

Students will be required to develop and write a short research paper (approximately 15 pages) on a topic of their choice pertaining to an area of international economics that is relevant to the course. All topics must be approved through submission of an initial proposal within the first few weeks of class. The papers will provide an overview and background to the topic, a summary of current academic research in the field, what impact the topic is currently having on global business and key stakeholders (i.e., Canada, a particular country or region, international institutions, etc.), analysis and application to principles presented in the course, and future direction or outlook for the topic.

In addition to the written report, students will also develop a presentation (15-20 minutes) to deliver in-class on the topic and research findings. The format for this presentation will typically include PowerPoint or overhead slides along with hand-outs for discussion and questions from the group. However, other creative elements such as audio/visual materials, simulations, etc., may also be utilized.

Students are encouraged to pick a topic of particular personal or career interest. The following is provided as a list of sample topics and is not exhaustive:

Currencies, Interest and Exchange Rates:

- Interest rate policy and the Bank of Canada: Balancing regional economic disparities between West and East
- The high-flying Loonie: good or bad for Canada?
- The price of oil and exchange rates: The Loonie as a petrodollar?
- Adoption of the Euro by EU member states
- Dollarization in Latin America
- Currency crises: Asia, Latin America
- Canada-US monetary union?
- The impact of trade deficits and government debt: US, Canada

Regional Integration

- NAFTA: Canada/US/Mexico, trade vs. FDI, Canadian competitiveness
- The EU: Deeper vs. broader economic integration, adoption of new member states
- NAFTA vs. the EU in WTO negotiations

Social Issues and Development Economics:

- Fair trade
- Microfinance and microcredit
- Third world debt
- The role of the IMF and World Bank in developing countries
- The WTO Doha round: What's at stake for developing nations?
- Trade vs. human rights in China

Further details regarding the submission of topic proposals and scheduling of in-class presentations will be provided at a later date.

Final Exam:

The course will conclude with a final examination covering all topics in the course, with a focus on those presented in the second half since the mid-term exam. Further details will be provided at a later date.

Grading Scale:

<i>% Grade</i>	<i>Letter Grade Description</i>	
95% to 100%	A+	
90% to 94%	A	Excellent
85% to 89%	A-	
80% to 84%	B+	
76% to 79%	B	Good
72% to 75%	B-	
68% to 71%	C+	
64% to 67%	C	Satisfactory
60% to 63%	C-	
55% to 59%	D+	
50% to 54%	D	Minimal Pass
0% to 49%	F	Failure