

**Course Outline**  
**ECON 131**  
**Fundamentals of International Economics**  
**3 Credit Hours**

**The Community College of Baltimore County**

**Description**

**Fundamentals of International Economics**

Introduces basic elements of international trade theory necessary for an understanding of the relationship of foreign trade to national economic growth; includes the balance of payments problem, tariffs and other trade restrictions, the international monetary system, free trade zones, and international currency markets.

Prerequisite: (RDNG 052 or LVR 2), (ENGL 052 or LVE 2); (MATH 081 or LVM 1)

**Overall Course Objectives** (list only those objectives that will be common to all sections of the course)

Upon successful completion of this course the student will be able to:

1. Identify, in broad outline, the historical evolution of the international economy.
2. Compare and contrast the arguments for and against free trade in classical political economy.
3. Apply the principles of opportunity cost analysis in order to determine the gains from trade.
4. Relate specialization on the basis of comparative advantage to the process of economic growth.
5. Assess the benefits and disadvantages of export-led growth in the developing economies.
6. Explain the accounting structure of the balance of international payments.
7. Measure the terms of trade and discuss their impact upon the balance of international payments.
8. Describe the evolution of the international monetary system from the collapse of the Gold Standard to the present.
9. Analyze the effects of foreign investment upon the host economies.
10. Discuss the emergence of today's global economy and debate its impact on the US national economy.

**Major Topics**

1. Elements of price theory (supply, demand, equilibrium, etc.).
2. Opportunity cost and its application to the doctrine of comparative advantage.
3. The determination of prices internationally with and without obstacles to trade.
4. The debate between mercantilists and free-traders in the XVIII and XIX Centuries.
5. The measurement of gains and losses from trade.
6. The balance of international payments.
7. The terms of trade and factor prices.
8. Foreign exchange markets and purchasing power parity.
9. International factor mobility and the global division of labor.
10. International inequalities and the economics of underdevelopment.
11. Export-led growth vs. import-substitution strategies.
12. The logic and impact of transnational corporations.
13. Prospects for the global economy and consequences for US national prosperity.

**Course Requirements** (List only those requirements that will be common to all sections of the course)

Grading/exams: Grading procedures will be determined by the individual faculty member, but will include the following:

1. The equivalent of 10 pages of writing in the form of reaction papers, term papers, and/or other papers on designated subjects.
2. At least one 15 minute oral report and oral presentation.
3. At least one exam (mid-term or final) with an essay component.
4. Class participation will constitute a significant percent of a student's grade.
5. At least one assignment will require students to use the Internet.