

## Course Information

Course Number: INTA 608  
Course Title: Global Economy  
Section: 601  
Time: Mondays 8:55 – 11:45 am  
Location: Allen 1108  
Credit Hours: 3

## Instructor Details

Instructor: Luis Espinoza  
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Office Hours: Mondays, 2 - 4 pm

## Course Description

Over the past six decades, international trade in goods and services has experienced unprecedented growth, driven by reductions in shipping and communication costs, the liberalization of trade policies, the globalization of production through offshoring, and the increasing interconnectedness of cultures. Concurrently, trade in financial assets—such as currencies, stocks, and bonds—has expanded at an even faster pace. As a result, the global economy is now more integrated than at any point in history.

This deepening economic integration presents both significant opportunities and complex challenges. On the positive side, it allows consumers and firms access to a broader array of goods and services at lower costs and higher quality. Producers benefit from larger markets, while financial integration enables savers to diversify risk and optimize returns, and borrowers to secure funding at more competitive rates. However, these benefits come with trade-offs: heightened competition can disproportionately harm specific workers, industries, and regions, while financial integration amplifies the risks of systemic crises, as demonstrated by the recent global financial upheavals.

This course aims to equip students with a comprehensive understanding of the multifaceted nature of global economic integration. It is structured around two primary components: **international trade** and **international finance**. The trade module examines the flow of goods and tangible resources across borders, while the finance module explores monetary dimensions, including international capital flows and transactions involving financial assets, such as foreign exchange markets and cross-border investments.

Through the application of rigorous analytical frameworks in international economics, students will explore key theories and models to better understand these phenomena. Real-world case studies will be incorporated to connect theoretical insights with contemporary global economic challenges.

## Course Prerequisites

None.

## Course Learning Outcomes

By the end of the semester, students will be able to:

- Analyze the key drivers of international trade and the economic rationale behind cross-border exchange.
- Assess the distributional impacts of trade integration and the implications of trade barriers on various economic agents.
- Evaluate the factors contributing to trade surpluses and deficits across countries.
- Explain the mechanisms of exchange rate determination and their macroeconomic effects.
- Critically examine the risks and rewards associated with financial integration in a globalized economy.
- Engage thoughtfully and persuasively in debates on issues such as international trade, finance, migration, foreign investment, and economic development.
- Develop a sophisticated and balanced understanding of the complexities and trade-offs associated with globalization.

## Textbook and/or Resource Materials

### Required textbook

**Krugman, P. R., Obstfeld, M., and Melitz, M. J. (2022).** *International Economics: Theory & Policy* (12th ed.). Pearson Education.

## Grading Policy

### Grading Scale

90%-100%	A	Extraordinary, excellent work and mastery of concept.
80%-89%	B	Good work and solid command of concept.
70%-79%	C	Adequate work and sufficient understanding of concept.
60%-69%	D	Poor work, little understanding of concept.
0%-59%	F	Lack of work, no understanding of concept.

## Grading Components

10%	Class Participation.
50%	Homework Assignments.
20%	Mid-Term Exam.
20%	Final Exam.

- *Class participation (10%)*

This component reflects your overall engagement with the course. It is evaluated based on class attendance, active participation in discussions, utilization of office hours, and communication with the instructor via in-person meetings or electronic correspondence.

- *Homework assignments (50%)*

Twelve homework assignments will be given throughout the semester, one after each lecture. To account for unforeseen circumstances, only your top 10 scores will count toward your final grade, with each contributing 5% to the total. Collaboration in study groups is encouraged, but each student must submit their own independently written work. Assignments must be submitted via Canvas by **8:30 AM on the Monday following each lecture**.

- *Mid-Term exam (20%)*

The mid-term exam will be held **during class on March 3<sup>rd</sup>** and will focus on the **International Trade** section of the course. It will be a closed-book exam, with no notes or listening devices permitted. Students who miss the exam will receive zero points unless accommodations for a make-up exam are arranged in advance due to an emergency, with appropriate documentation provided.

- *Final exam (20%)*

The final exam will take place **during class on April 28<sup>th</sup>** and will cover the **International Finance** section of the course. Like the mid-term, it will be a closed-book exam, with no notes or listening devices allowed. Zero points will be given for a missed exam unless timely notification and valid documentation are provided to arrange a make-up exam.

## Late Work Policy

Homework assignments submitted after the deadline will not be accepted. Exceptions may be made only in cases of a university-approved excuse, provided that timely notification is given, and appropriate documentation is submitted.

*Work submitted by a student as makeup work for an excused absence is not considered late work and is exempted from the late work policy ([Student Rule 7](#)).*

## Course Schedule

Date	Class	Topic	Deliverables	Readings
January 13	1	<b>Introduction</b> World Trade: An Overview	Homework assignment 1	KOM Chapters 1 and 2
January 20	Martin Luther King, Jr. Day			
January 27	2	<b>International Trade Theory I</b> Trade based on Comparative Advantage: <ul style="list-style-type: none"><li>The Ricardian model</li></ul>	Homework assignment 2	KOM Chapter 3
February 3	3	<b>International Trade Theory II</b> Trade based on Comparative Advantage: <ul style="list-style-type: none"><li>The Specific Factors model</li></ul>	Homework assignment 3	KOM Chapter 4
February 10	4	<b>International Trade Theory III</b> Trade based on Comparative Advantage: <ul style="list-style-type: none"><li>The Factor Proportions model</li></ul>	Homework assignment 4	KOM Chapter 5
February 17	5	<b>International Trade Theory IV</b> Trade based on Economies of Scale	Homework assignment 5	KOM Chapters 7 and 8
February 24	6	<b>International Trade Policy</b> <ul style="list-style-type: none"><li>The Instruments of Trade Policy</li><li>The Political Economy of Trade</li></ul>	Homework assignment 6	KOM Chapters 9, 10 and 12
March 3	7	Midterm Exam		
March 10	Spring Break			
March 17	8	<b>Open-Economy Macroeconomics I</b> <ul style="list-style-type: none"><li>The Balance of Payments</li><li>Exchange Rates</li></ul>	Homework assignment 7	KOM Chapter 13 and 14
March 24	9	<b>Open-Economy Macroeconomics II</b> Money, interest rates, and exchange rates	Homework assignment 8	KOM Chapter 15
March 31	10	<b>Open-Economy Macroeconomics III</b> Flexible exchange rates	Homework assignment 9	KOM Chapter 16
April 7	11	<b>Open-Economy Macroeconomics IV</b> Fixed exchange rates	Homework assignment 10	KOM Chapter 18
April 14	12	<b>International Macro Policy I</b> International Monetary System: A Historical Overview	Homework assignment 11	KOM Chapter 19
April 21	13	<b>International Macro Policy II</b> Financial Globalization: Opportunity and Crisis	Homework assignment 12	KOM Chapter 20
April 28	14	Debate	<a href="#">Writeup (April 25)</a>	

## University Policies

This section outlines the university level policies that must be included in each course syllabus. The TAMU Faculty Senate established the wording of these policies.

### Attendance Policy

The university views class attendance and participation as an individual student responsibility. Students are expected to attend class and to complete all assignments.

Please refer to [Student Rule 7](#) in its entirety for information about excused absences, including definitions, and related documentation and timelines.

### Makeup Work Policy

Students will be excused from attending class on the day of a graded activity or when attendance contributes to a student's grade, for the reasons stated in Student Rule 7, or other reason deemed appropriate by the instructor.

Please refer to [Student Rule 7](#) in its entirety for information about makeup work, including definitions, and related documentation and timelines.

Absences related to Title IX of the Education Amendments of 1972 may necessitate a period of more than 30 days for make-up work, and the timeframe for make-up work should be agreed upon by the student and instructor" ([Student Rule 7, Section 7.4.1](#)).

"The instructor is under no obligation to provide an opportunity for the student to make up work missed because of an unexcused absence" ([Student Rule 7, Section 7.4.2](#)).

Students who request an excused absence are expected to uphold the Aggie Honor Code and Student Conduct Code. (See [Student Rule 24](#).)

### Academic Integrity Statement and Policy

"An Aggie does not lie, cheat or steal, or tolerate those who do."

"Texas A&M University students are responsible for authenticating all work submitted to an instructor. If asked, students must be able to produce proof that the item submitted is indeed the work of that student. Students must keep appropriate records at all times. The inability to authenticate one's work, should the instructor request it, may be sufficient grounds to initiate an academic misconduct case" ([Section 20.1.2.3, Student Rule 20](#)).

*You can learn more about the Aggie Honor System Office Rules and Procedures, academic integrity, and your rights and responsibilities at [aggiehonor.tamu.edu](http://aggiehonor.tamu.edu).*

## Americans with Disabilities Act (ADA) Policy

Texas A&M University is committed to providing equitable access to learning opportunities for all students. If you experience barriers to your education due to a disability or think you may have a disability, please contact the Disability Resources office, located in the Student Services Building or at (979) 845-1637 or visit [disability.tamu.edu](https://disability.tamu.edu). Disabilities may include, but are not limited to attentional, learning, mental health, sensory, physical, or chronic health conditions. All students are encouraged to discuss their disability related needs with Disability Resources and their instructors as soon as possible.

## Title IX and Statement on Limits to Confidentiality

Texas A&M University is committed to fostering a learning environment that is safe and productive for all. University policies and federal and state laws prohibit gender-based discrimination and sexual harassment, including sexual assault, sexual exploitation, domestic violence, dating violence, and stalking.

With the exception of some medical and mental health providers, all university employees (including full and part-time faculty, staff, paid graduate assistants, student workers, etc.) are Mandatory Reporters and must report to the Title IX Office if the employee experiences, observes, or becomes aware of an incident that meets the following conditions (see [University Rule 08.01.01.M1](#)):

- The incident is reasonably believed to be discrimination or harassment.
- The incident is alleged to have been committed by or against a person who, at the time of the incident, was (1) a student enrolled at the University or (2) an employee of the University.

Mandatory Reporters must file a report regardless of how the information comes to their attention – including but not limited to face-to-face conversations, a written class assignment or paper, class discussion, email, text, or social media post. Although Mandatory Reporters must file a report, in most instances, a person who is subjected to the alleged conduct will be able to control how the report is handled, including whether or not to pursue a formal investigation. The University's goal is to make sure you are aware of the range of options available to you and to ensure access to the resources you need.

Students wishing to discuss concerns related to mental and/or physical health in a confidential setting are encouraged to make an appointment with [University Health Services](#) or download the [TELUS Health Student Support app](#) for 24/7 access to professional counseling in multiple languages. Walk-in services for urgent, non-emergency needs are available during normal business hours at University Health Services locations; call 979.458.4584 for details.

*Students can learn more about filing a report, accessing supportive resources, and navigating the Title IX investigation and resolution process on the University's [Title IX webpage](#).*

## Statement on Mental Health and Wellness

Texas A&M University recognizes that mental health and wellness are critical factors influencing a student's academic success and overall wellbeing. Students are encouraged to engage in healthy self-care practices by utilizing the resources and services available through [University Health Services](#). Students

needing a listening ear can contact University Health Services (979.458.4584) or call the Texas A&M Helpline (979.845.2700) from 4:00 p.m. to 8:00 a.m. weekdays and 24 hours on weekends while classes are in session. The [TELUS Health Student Support app](#) provides access to professional counseling in multiple languages anytime, anywhere by phone or chat, and the 988 Suicide & Crisis Lifeline offers 24-hour emergency support at 988 or [988lifeline.org](https://988lifeline.org).