

August 11, 2008

Dear Marist MBA student:

Welcome to the online course **MBA 613N700**, International Economics, for Fall, 2008. This course officially begins on September 2 and ends on December 19, 2008. The objectives of the course are to facilitate your understanding of the drivers of global trade, finance, and investment, along with the origins and operations of related international institutions like the IMF and WTO, and the impact on global welfare. The method is to review the standard economics models and assumptions, presented by the leading international trade theorists, and to apply these concepts to specific country and industry cases, and to current events.

There couldn't be a better time to be studying international economics! So many of the pivotal issues facing our nation today relate to our position in the world economy! Consider the value of the dollar, the increasing interdependence of the U.S. economy and the rest of the world, challenges of global environmental management, peak oil, the failure of the Doha Round, U.S. competitiveness, outsourcing, and a myriad other issues.

The economics textbook for the course is written by Paul Krugman and Maurice Obstfeld, *International Economics*, 8th ed. Pearson Addison Wesley, **ISBN-10--1408208075**. Krugman is a leading trade theorist with many books and scholarly articles in professional economics journals, as well as several books for the lay audience. He has bounced back and forth between Princeton and MIT, and is now publishing an introductory economics textbook with his wife, who is also at Princeton. He even accepted my invitation to speak at Marist College a few years ago! What is really unusual for a leading economics theorist is that he also publishes a very forthright and provocative column for the *New York Times*. Whether or not you agree with his political analysis, at least this prominent role suggests that he can write (often unusual for economists)!

There is also a casebook for this class, a customized selection of cases from Harvard Business School written by Richard Vietor and others. The reason for including this second text is to apply economic models to **countries**, who are now strategic actors in the international economy. We will also focus on the behavior of leading firms, often multinational corporations, who affect the growth and development of key industries, other firms, and countries (for example Exxon Mobil) by means of foreign direct investment decisions.

That is, global economics today is a heady mix of countries, companies, and industries, all affecting supply and demand, employment and income, and overall growth and welfare.

Because of the complexity of these interactions, we will participate in ongoing class discussion of texts, cases, and current events. The best way to learn economics is to become as astute observer in real time!

The requirements for the class will include text exercises, to master the formal economics models, as well as case analysis. In addition to online discussion, there will also be a term project, focusing on a specific country and its history, trade, and industrial policies. An online power point presentation will present the major findings and insights of each term project to all other students.

We will also follow current events together, as we live in a time when every day world-shaking events unfold. The best way to learn is to follow them closely, understand from various perspectives, and share our insights with others.

I look forward to working with you in these “interesting times.”

Sincerely,

Dr. Ann Davis
Assistant Professor of Economics
And Founding Director of the Marist College Bureau of Economics