

**INTERNATIONAL BUSINESS ECONOMICS AND LAW**

Syllabus

This is principally a course in economics with a bit of law thrown in. Its purpose is to provide those of you who will practice in some sector of international trade law with an economic substrate to understand the policy issues that confront firms and nations

Texts:

International Economics: Theory and Policy 6<sup>th</sup> Edition  
by Krugman & Obstfeld

In addition I will hand out copies of a couple of articles I have written in the subject area.

Although I will teach this class primarily through lectures, I expect you to have read all the material carefully before each class. The material is of sufficient difficulty that unless you have carefully read the appropriate chapters and understood them the lectures may well appear incomprehensible.

The syllabus is quite straightforward. We begin at the beginning of the text and work our way along covering the first eleven chapters. If time allows we will pick and choose selected topics beyond that. I can not hope to cover the material in the breadth and depth provided by the text. Instead I will hit selective high points in the order in which they appear in the text.

Orientation Quiz: True or False and Why

1. The United States is running an overall current account deficit, that is the value of imported goods, services purchased from foreigners and tourist expenditures abroad exceeds the value of exports services purchased by foreigners, and expenditures by foreign tourists in this country. Assuming that this is a bad thing it can be corrected by:

(A) By an across the board increase in productivity (i.e., competitiveness) in American industry.

(B) announcing that next year and in all future years the United States will confiscate a random 3% of assets held in America by foreigners.

2. (A) A large (or small) nation can increase the total wealth of its people by imposing a tariff on imports.

(B) What about a subsidy (or is it a tax) on exports.

Professor Cohen

Fall 2004

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Initial Reading Assignment

International Economics: Theory and Policy  
by Krugman & Obstfeld Chapters 1-3