College/Department/Unit: = DIP 710
Category:_ = New
Date_for_Council_Review: = April 12, 2007
Recommendation_is:_ = Approve
Investigator: _ = Timothy W. Sineath
E-mail_Address = tsineath@email.uky.edu
1__Modifications: = none, routine
2__Considerations: = Course provides an overview of several areas of economics for Patterson School students who have minimal background in the subject. No existing single course in Economics provides the range of covergaed desired.
3__Contacts: = Evan Hillebrand
4__Additional_Information: =

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APPLICATION FOR NEW COURSE

1. Submitted by College of ________________ The Graduate School ______________________ Date 1/30/2007

Department/Division offering course ________________ Patterson School of Diplomacy and International Commerce ______________________

2. Proposed designation and Bulletin description of this course

a. Prefix and Number ________________ DIP 710 ______________________
   b. Title* ________________ The International Economy ______________________

   *NOTE: If the title is longer than 24 characters (including spaces), write
   A sensible title (not exceeding 24 characters) for use on transcripts ______________________

c. Lecture/Discussion hours per week ________________ 2.5 ______________________

d. Laboratory hours per week ______________________

e. Studio hours per week ______________________

f. Credits ______________________

g. Course description

This course introduces economic analysis and the mechanics and institutions of international commerce to incoming Patterson School students with a minimal economics background.

h. Prerequisites (if any)

None ______________________

i. May be repeated to a maximum of ______________________ (if applicable)

4. To be cross-listed as

Prefix and Number ______________________

Signature, Chairman, cross-listing department ______________________

5. Effective Date ________________ Fall, 2007 ______________________

   (semester and year)

6. Course to be offered ________________ ☑ Fall ☐ Spring ☐ Summer ______________________

7. Will the course be offered each year? ________________ ☑ Yes ☐ No

(Explain if not annually) ______________________

8. Why is this course needed?

Many excellent Patterson School applicants need additional preparation in economics.

9. a. By whom will the course be taught? ________________ Dr. Evan Hillebrand ______________________

b. Are facilities for teaching the course now available? ________________ ☑ Yes ☐ No

   If not, what plans have been made for providing them?

   ______________________
APPLICATION FOR NEW COURSE

10. What enrollment may be reasonably anticipated?  

11. Will this course serve students in the Department primarily?  
☐ Yes  ☐ No

Will it be of service to a significant number of students outside the Department?  
☐ Yes  ☐ No

If so, explain.

12. Will the course serve as a University Studies Program course?  
☐ Yes  ☐ No

If yes, under what Area?

13. Check the category most applicable to this course

☐ traditional; offered in corresponding departments elsewhere;

☐ relatively new, now being widely established

☐ not yet to be found in many (or any) other universities

14. Is this course applicable to the requirements for at least one degree or certificate at the University of Kentucky?  
☐ Yes  ☐ No

15. Is this course part of a proposed new program?

If yes, which?  

16. Will adding this course change the degree requirements in one or more programs?*  
☐ Yes  ☐ No

If yes, explain the change(s) below

16. Attach a list of the major teaching objectives of the proposed course and outline and/or reference list to be used.

17. If the course is a 100-200 level course, please submit evidence (e.g., correspondence) that the Community College System has been consulted.  

18. If the course is 400G or 500 level, include syllabi or course statement showing differentiation for undergraduate and graduate students in assignments, grading criteria, and grading scales.

19. Within the Department, who should be contacted for further information about the proposed course?

Name  Dr. Evan Hillebrand

Phone Extension  257-6928

*NOTE: Approval of this course will constitute approval of the program change unless other program modifications are proposed.
APPLICATION FOR NEW COURSE

Signatures of Approval:

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Chair</td>
<td>2/15/2007</td>
</tr>
<tr>
<td>Dean of the College</td>
<td>2/21/07</td>
</tr>
</tbody>
</table>

*Undergraduate Council

*University Studies

*Graduate Council

*Academic Council for the Medical Center

*Senate Council (Chair)

*If applicable, as provided by the Rules of the University Senate

Date of Notice to the Faculty

Date of Notice to University Senate

ACTION OTHER THAN APPROVAL

Rev 3/04
**Grading Scale for Graduate Students**

100-90% = A  
89.9-80% = B  
79.9-70% = C  
< 69.9% = E
The International Economy
GS 600 04
(revised 8/14/06)
Tuesdays, 3:30-6:00
Room 308, Gatton Business School Building

Professor Hillebrand
Room 465, Patterson Office Tower
859-257-6928, ehill2@uky.edu
Office Hours: Monday 10:00 to 12:00 or by appointment
(or when the door is open and no conversation is in progress)

This class is designed for Patterson School students who had limited exposure to economics in their undergraduate training. It will cover in one semester what undergraduates do in five courses: principles of microeconomics, principles of macroeconomics, development economics, international trade, and international finance. The abbreviated course will not make the student a professional economist but it will present the elements of economic theory and economic reasoning that are essential in any international affairs job. This course is a prerequisite for Economic Statecraft (DIP 720) which deals with how governments use economic power to advance foreign policy goals.

The syllabus lists the topic to be covered each week. You should read the assigned chapter from the text prior to the lecture. After the lecture, take the online self-study quiz (hyperlink given below) for that chapter and send me the results before the next lecture. (You may also take the self-study quiz before the lecture and you may take it as many times as you want). The grades on these quizzes will not be recorded, but whether or not you have done the work--on time--will be recorded. Students will be asked questions during class time that will resemble the self-study questions—their responses will form part of the class participation grade so it would be a good idea to look at the quiz before the lecture as well as after it.

The bulk of the grade will come from a mid-term and a final exam that will focus on applying the theory and the facts toward analytical problems. The tests will mainly be in the form of short-answer essay questions. The class will be graded on a curve, with roughly half A’s and half B’s, rounded up at the margin. There might be a C or two if a student is not doing the work, or fails to comprehend the material, or fails to express himself/herself adequately.

As in any UK course, plagiarism and cheating will not be tolerated. Working together on the homework assignments is encouraged, but all in-class tests must represent individual effort. High-quality oral and written expression in English is also required in this class.
Attendance is not required at any class, therefore excuses for nonattendance are not necessary. If an assignment or test cannot be completed on time, the student must make prior arrangements with me.

**Grading:**
10% class participation  
10% turning in on-line self-study quizzes on time  
30% midterm exam  
50% final exam

**Books:**
The required textbook is *Economics*, by R. Glenn Hubbard and Anthony O’Brien, Prentice Hall, 2006. (Make sure you don’t get *Microeconomics* or *Macroeconomics* by the same authors.) You must work with the companion website [http://wps.prenhall.com/bp_hubbard_econ_1](http://wps.prenhall.com/bp_hubbard_econ_1) to succeed in this class. I will also draw on some supplemental material that will be placed on 2-hour reserve in the Young Library or on e-reserve:


Commerce Majors or Minors at the Patterson School are encouraged to purchase at least the first four books on the list.

**Class Schedule**

*Note: it would be helpful to start work on this schedule prior to the first class.*

1. **August 29 – Introduction, Economics and Political Economy**
   - Reading: Hubbard, Ch 1; Sowell, Preface and Ch 1; Gilpin, Ch 1
   - Homework: Self-study Quiz 1, Ch 1
   - Lecture from Hubbard, Gilpin, Hirschleifer, Sowell

2. **Sep 5 – The Market System, Trade-Offs, Comparative Advantage**
   - Reading: Hubbard, Ch 2; Wolf, Ch. 4
   - Homework: Self-study Quiz Ch 2
   - Lecture from Hubbard, Gilpin, Wolf, Rodrick, Meier
3. **Sep 12 – Price, Demand and Supply**  
   Reading: Hubbard, Ch 3; Sowell, Ch. 2  
   Homework: Self-study Quiz Ch 3.  
   Lecture from Hubbard, Sowell, Olson

4. **Sep 19 – Economic Efficiency, Govt. Interventions, Income Distribution**  
   Reading: Hubbard, Ch 4, Ch 18, pages 567-573; Olson, Ch 1  
   Homework: Self-study Quiz, Ch 4  
   Lecture from Hubbard, Sowell, Olson

5. **Sep 26 – Externalities and Elasticities**  
   Reading: Hubbard, Ch 5 and 6,  
   Homework: Self-study Quiz for both Ch 5 and Ch 6  
   Lecture from Hubbard

6. **Oct 3 – Firms and Market Structure**  
   Reading: Hubbard, Ch 7, pp. 355, 388, 399-400, 414-417, 444-450  
   Homework: Self-study Quiz, Ch 7  
   Lecture from Hubbard, Chs. 7 and 11-15  
   Practice Midterm Exam

7. **Oct 10 – Comparative Advantage**  
   Reading: Hubbard, Ch 8; Gilpin, pp 196-216  
   Homework: Self-study Quiz for Ch 8  
   Lecture from Hubbard, Krugman, Gilpin  
   Practice Midterm Exam

8. **Oct 17 - Midterm Exam**

9. **Oct 24 - GDP, Unemployment and Inflation**  
   Reading: Hubbard, Ch 19-20  
   Homework: Self-study Quizzes for Ch 19 and 20  
   Lecture from Hubbard

    Reading: Hubbard, Ch 21, Olson, Ch 5 (Governance);  
         Rodrick, Ch 8 (Mauritius)  
    Homework: Self-study Quiz, Ch 21  
    Lecture from Hubbard, Olson, Rodrick, Williamson, Cooper

11. **Nov 7 – Long Run Growth and Development**  
    Reading: Hubbard, Ch 22; Gilpin, pp 305-312;  
        Rodrick, Ch. 5 (Vietnam-Philippines)
12. Nov 14 – Money, Banking, and Monetary Policy
   Reading: Hubbard, Ch 25-26, Dam, Ch 10
   Homework: Self-study Quizzes for Ch 25 and 26
   Lecture from Hubbard, Dam, Litan

13. Nov 21 – Fiscal Policy
   Reading: Hubbard, Ch.27-28,
   Homework: Self-study Quizzes for Ch 27 and 28
   Lecture from Hubbard

14. Nov 28 – Open Economy Macroeconomics
   Reading: Hubbard, Ch 29; Wolf, Ch 2 (Globalization);
   Rodrick, “Sense and Nonsense in the Globalization Debate”,
   Foreign Policy No. 207 (1997), pp 19-37
   Homework: Self-study Quiz, Ch 29
   Lecture from Hubbard

15. Dec 5 -- International Financial System
   Reading: Hubbard, Ch 30; Litan, Ch 2 (Banking and Foreign Policy)
   Homework: Self-study Quiz, Ch 30
   Lecture from Hubbard, Litan

16. Dec 12 – Final Exam (3:30 pm)