

March 10 2005

Dr. Scott Willis
Chair, Institute Undergraduate Curriculum Committee
ECE – 0250

The School of Economics (SOE) requests approval from the Institute of Undergraduate Curriculum Committee approval for the following items all of which have received faculty approval in the School of Economic.

1. Modification of the degree requirements for the Bachelor of Science in Economics. There is no net change in the credit hours required for the degree.
 - a. Reduce the number of Economics Elective from 18 to 9 hours
 - b. Increase the number of Free Elective from 11 to 20 hours

The School's External Reviews, as part of the SOE's 5th Year Program Review recommended that the SOE reduce the number of required Economics electives The External Review Committee found that the 42 credit hours required for the BS in Economics far exceed those of other similar programs at benchmark Institutions. The Committee noted that a reduction in required credit hours will provide more flexibility for students and could significantly impact the School's competitive position nationally.

2. International Plan
 - a. Allow Economics majors to pursue the International Plan degree designation in conjunction with satisfaction of the BS Econ degree requirements
 - i. Students are required to take INTA 1110 which replaces the INTA Elective
 - ii. Students are required to complete ECON 4350
 - iii. Students are required to take one of the following courses ECON 4311, ECON 4351(proposed) ECON 4355 (proposed) or ECON 4357(proposed). Formal proposals for proposed courses will be submitted 3/30/2005.
3. To address the needs of non-majors pursuing the International Plan degree designation the School of Economics seeks approval of a new course entitled "The Global Economy" (ECON 2101), which is an alternative to Economics

2100. (Please find the new course proposal form and a topical outline attached to this packet.)

4. All Economics courses that list Economics 2100 or 2105/2106 as prerequisites should now read as follows: Economics 2100 or 2101 or 2105/2106. Students can receive credit for either 2100 or 2101, or for 2105/2106. Students can not receive credit for 2100 and 2101 or for 2100 and 2105/2106 or for 2101 and 2105/2106.
5. The eight semester outline for the International Plan requires students desiring the international plan designation to spend the second semester of the junior year in a non U.S. university. Students can fulfill this requirement through enrolling in study-abroad summer programs.

Thank you for your consideration of this request.

Willie J, Belton, Jr.
Director of Undergraduate Program
School of Economics

ENDORSED:

Chair, School of Economics

Dean, Ivan Allen College

Provost

Current Bachelor of Science in Economics

Example 8-Semester Schedule

Freshman Year

3-3-4 Lab Science 1	3-3-4 Lab Science 2
3-0-3 ENGL 1101	3-0-3 ENGL 1102
4-0-4 MATH 1501 or 1712	4-0-4 MATH 1502 or 1711
1-0-1 Free Elective	3-0-3 Computing Requirement 1
3-0-3 HIST 2111 or 2112 or POL 1100 or PUBP 3000 or INTA 12000	2-0-2 HPS 1040/106X
14-3-15	15-3-16

Sophomore Year

3-0-3 ECON 2106	3-0-3 ECON 2105
3-0-3 MGT 2250 or Substitute	3-0-3 ECON 3161
3-0-3 Computing Requirement 2	3-0-3 Humanities Elective
3-0-3 Engineering, Science or Math Elective	3-0-3 INTA Elective
3-0-3 Humanities Elective	3-0-3 Social Science Elective
15-0-15	15-0-15

Junior Year

3-0-3 ECON 3110	3-0-3 ECON 3120
3-0-3 ECON 4160	3-0-3 ECON Elective
3-0-3 Non-Major Cluster	3-0-3 Free Elective
3-0-3 Social Science Elective	3-0-3 Non-Major Cluster
3-0-3 ECON Elective	3-0-3 ECON elective
15-0-15	15-0-15

Senior Year

3-0-3 ECON Elective	3-0-3 ECON 4610
3-0-3 ECON Elective	3-0-3 ECON 4910
3-0-3 ECON Elective	3-0-3 ECON Elective
3-0-3 Free Elective	4-0-4 Free Elective
3-0-3 Non-Major Cluster	3-0-3 Non Major Cluster
15-0-15	16-0-16

Total Semester Hours: 122

Notes:

1. CS 1321 or a computer programming course approved as satisfying the general education requirements in computer literacy.
2. CP 4510, ECE 2030, MGMT 4058, of MGT 4061 are substitutes for CS 1322
3. ECON 2105, 2106, 3110, 3120 and 3161 are prerequisites for ECON 4910
4. Student are strongly encouraged to take ECON 2105, 2106, 3110, 3120 and 3161 prior to taking ECON 4610

Proposed Bachelor of Science in Economics

Example 8-Semester Schedule

Freshman Year

3-3-4 Lab Science 1	3-3-4 Lab Science 2
3-0-3 ENGL 1101	3-0-3 ENGL 1102
4-0-4 MATH 1501 or 1712	4-0-4 MATH 1502 or 1711
1-0-1 Free Elective	3-0-3 Computing Requirement 1
3-0-3 HIST 2111 or 2112 or POL 1100 or PUBP 3000 or INTA 12000	2-0-2 HPS 1040/106X
14-3-15	15-3-16

Sophomore Year

3-0-3 ECON 2106	3-0-3 ECON 2105
3-0-3 MGT 2250 or Substitute	3-0-3 ECON 3161
3-0-3 Computing Requirement 2	3-0-3 Humanities Elective
3-0-3 Engineering, Science or Math Elective	3-0-3 INTA Elective
3-0-3 Humanities Elective	3-0-3 Social Science Elective
15-0-15	15-0-15

Junior Year

3-0-3 ECON 3110	3-0-3 ECON 3120
3-0-3 ECON 4160	3-0-3 ECON Elective
3-0-3 Non-Major Cluster	3-0-3 Free Elective
3-0-3 Social Science Elective	3-0-3 Non-Major Cluster
3-0-3 ECON Elective	3-0-3 ECON elective
15-0-15	15-0-15

Senior Year

3-0-3 Free Elective	3-0-3 ECON 4610
3-0-3 Free Elective	3-0-3 ECON 4910
3-0-3 Free Elective	3-0-3 ECON Elective
3-0-3 Free Elective	4-0-4 Free Elective
3-0-3 Non-Major Cluster	3-0-3 Non Major Cluster
15-0-15	16-0-16

Total Semester Hours: 122

Notes:

1. CS 1321 or a computer programming course approved as satisfying the general education requirements in computer literacy.
2. CP 4510, ECE 2030, MGMT 4058, of MGT 4061 are substitutes for CS 1322
3. ECON 2105, 2106, 3110, 3120 and 3161 are prerequisites for ECON 4910
4. Student are strongly encouraged to take ECON 2105, 2106, 3110, 3120 and 3161 prior to taking ECON 4610

Bachelor of Science in Economics “International Plan” designation

Example 8-Semester Schedule

Freshman Year

3-3-4 Lab Science 1 3-0-3 ENGL 1101 4-0-4 MATH 1501 or 1712 1-0-1 Free Elective 3-0-3 HIST 2111 or 2112 or POL 1100 or PUBP 3000 or INTA 12000	3-3-4 Lab Science 2 3-0-3 ENGL 1102 4-0-4 MATH 1502 or 1711 3-0-3 Computing Requirement 1 2-0-2 HPS 1040/106X
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14-3-15

15-3-16

Sophomore Year

3-0-3 ECON 2106 3-0-3 MGT 2250 or Substitute 3-0-3 Computing Requirement 2 3-0-3 Engineering, Science or Math Elective 3-0-3 Humanities Elective	3-0-3 ECON 2105 3-0-3 ECON 3161 3-0-3 Humanities Elective 3-0-3 INTA 1110 3-0-3 Social Science Elective
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15-0-15

15-0-15

Junior Year

3-0-3 ECON 3110 3-0-3 ECON 4160 3-0-3 ECON 4350 3-0-3 Social Science Elective 3-0-3 ECON 3120
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15-0-15

Term at Non-U.S. University

3-0-3 Social Science Elective 3-0-3 ECON Elective 3-0-3 Free Elective 3-0-3 Non-Major Cluster 3-0-3 ECON elective
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15-0-15

Senior Year

3-0-3 International Economics (See note 5) 3-0-3 Non-Major Cluster 3-0-3 Free Elective 3-0-3 Free Elective 3-0-3 Non-Major Cluster	3-0-3 ECON 4610 3-0-3 ECON 4910 3-0-3 ECON Elective 4-0-4 Free Elective 3-0-3 Non Major Cluster
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15-0-15

16-0-16

Total Semester Hours: 122

Notes:

1. CS 1321 or a computer programming course approved as satisfying the general education requirements in computer literacy.
2. CP 4510, ECE 2030, MGMT 4058, or MGT 4061 are substitutes for CS 1322
3. ECON 2105, 2106, 3110, 3120 and 3161 are prerequisites for ECON 4910
4. Student are strongly encouraged to take ECON 2105, 2106, 3110, 3120 and 3161 prior to taking ECON 4610
5. There are a number of Economics courses that will satisfy this requirement including Econ 4311, 4351(proposed), 4355(proposed), 4357(proposed), “

School of Economics
Georgia Institute of Technology

Prof. Christine P. Ries

Course Proposal: The Global Economy
Economics course to qualify as 'Global Economics' course for International Plan and
Diploma

Course Requirements: there are no prerequisites for this course and it substitutes for 'ECON2100 - Economic analysis and Policy Problems' as a prerequisite for more advanced economics courses and for ECON2100 requirement for graduation in all majors. Topics and learning objectives for the course include those for the principles of economics course and addressed from a global perspective.

Catalog Description:

Historical and theoretical understanding of global economy, including international trade, finance, investment, production; regional economic integration; economic development; environment, using micro and macro economic principles.

Course Description:

The Global Economy

The course uses basic micro and macro economic principles and tools to provide a historical and theoretical understanding of the global economy. It will include topics such as international trade, finance, investment, and production; regional economic integration (such as the EU); economic development and modernization; and questions of natural resource sustainability.

In this introductory course intended primarily for non-majors, students gain an understanding of the global economy: historical development, description of the current global economy and the key theoretical relationships that define the global economy. It builds from an understanding of the building blocks of the global economy: individuals, institutions, transactions and markets. Students explore issues of trade, investment, finance and national growth within a global economy. In this process, the course introduces students to the basic economic principles required for analysis of the above issues and students develop a basic understanding of economic theory, practice and modeling. The important distinction between this course and a standard Principles of economics course is that all actions and transactions are determined within a global setting rather than within an independent and segregated economy.

The course is intended to provide students with an understanding of the relationships and results that important for development of individual decision making as well as national

economic policy. That is, students are equipped to consider decision problems of individual finance, investment and trading as well as to be educated participants in democratic processes.

Finally, the course is intended to precede the international experience and to serve as a framework for understanding many of the student's insights and experiences when abroad.

Texts:

Primary texts:

Pugel, Thomas A. International Economics, 12th ed. Irwin-McGrawHill, 2004.

O'Dell, Kerry. Study Guide for International Economics.

Supplementary texts:

N. Gregory Mankiw. Essentials of Economics, 3rd edition. Thompson, South-Western Publishing, 2004.

Reinert, Kenneth. Windows on the World Economy. South-Western Thomson Publishers, 2004.

(This text is designed for courses in which business, public policy, and often social science students need to understand the impact of international economics. Therefore, the economic theory is low-level, but it is very applied with an emphasis on managerial or public policy decision-making. For instance, the book gives heavier treatment to international production and international development than most international economics texts.)

Burtless, Gary, Robert Z. Lawrence, Robert E. Litan & Robert J. Shapiro. Globaphobia: Confronting Fears about Open Trade. Brookings Institution Press, 2000.

(Recently a growing chorus of complaint has been raised against globalization. It is widely blamed for destroying U.S. jobs and reducing American wages. The authors of this book speak directly to these concerns. They demonstrate with straightforward prose and simple illustrations why the globaphobes are wrong. Globalization has not reduced the availability of jobs. Nor has it reduced the average wage. It has played only a small part in the deteriorating situation of America's least skilled workers. A challenge for Americans is to understand globalization and the benefits it brings. Equally important is the challenge of improving public policies aimed at reducing the very real pain of those Americans hurt by closer world economic integration. Globaphobia outlines a humane and practical program for advancing this goal.)

Mokyr, Joel. The Lever of Riches: Technological Creativity and Economic Progress. Oxford University Press, 1990

Today, an ever greater number of industrial economies are competing in the global market, locked in a struggle that revolves around technological ingenuity. The Lever of Riches, with its keen analysis derived from a sweeping survey of creativity throughout history, offers telling insights into the question of how Western economies can maintain, and developing nations can unlock, their creative potential.

Course Outline:

- I. Basic Economic Principles
 - a. The roles of markets and prices in an economy
 - b. The nature and causes of trading and transactions
 - i. Characteristics of buyers
 - ii. Characteristics of sellers
 - iii. Gains from trade
- II. Global Economics
 - a. Economics and the nation-state
 - b. Nation-state economies in isolation
 - c. Nations and the opening of trade
 - i. Comparative advantage and trade
 - ii. Sources of international comparative advantage
 1. Labor
 2. Capital
 3. Factor Endowment
 4. Proportions
 - iii. Globalization and labor migration
 - d. Economies of scale
 - e. Industry structure: perfect competition and monopolistic competition
- III. Deviations from perfect, competitive trade
 - a. Tariffs and non tariff barriers
 - b. The politics of protectionism
 - c. Export subsidies
 - d. Economic cartels
- IV. Trading Blocks
 - a. EU Experience
 - b. NAFTA
- V. Trade and the Environment
 - a. Externalities and the Commons Problem
 - i. Trans-border pollution
 - ii. Global approaches to environmental pollution
 - b. Trade and National Economic Development
 - i. Manufacturers vs. primary producers vs. service providers
 - ii. Rich countries/poor countries
- VI. Financial sector and the creation of financial securities
 - a. Financial securities for financing trade and exchange
 - b. Financial securities for cross border investing
 - c. National and global financial institutions
 - d. The special determinants of security value (future expectations, risk)

- VII. Money, national money and payments between nations
 - a. The values of national monies
 - i. Monetary Theory
 - ii. Institutional context of central banks
 - iii. Factors influencing central banks
 - b. Exchanging monies – foreign exchange
 - i. Markets for foreign exchange
 - 1. Equilibrium relationships and market institutions
 - 2. Prices in the context of global markets (Purchasing Power Parity)
 - c. The balance of payments
 - i. Capital flows, balance on securities trade
 - ii. Trade flow, balance on trade
 - d. Exchange rate regimes and national policy
 - i. Currency unions

- VIII. Globalization of the financial sector
 - a. Purchasing Power Parity for securities-Interest Rate Parity
 - b. Interest Rate Parity and forward foreign exchange rates

Pedagogy:

Each section begins with basic economic theory. For example, early sections will follow a short module on supply and demand. Each section identifies the difference between this topic in an isolated nation-state and in a global economy and society. Case studies are used wherever possible. Regular reading of/and reporting on professional publications is required. (Wall Street Journal, The Economist, Financial Times, International Tribune)

Everything derives from the transaction. Monetary and financial sectors are derived as vehicle for facilitating trade (responses to more complicated demands for trade.) Intellectual background is in rational choice economics. What institutions/instruments develop to facilitate increasingly complex trading requirements?